



EUROPE'S BUSINESS NEWSPAPER



FINANCIAL TIMES

No. 30,954

Weekend September 23/September 24 1989

D 8523A

**VEHICLE
CONTRACT
COWIE
Interleasing**
NORTH
Tel: (0115) 510 0464
MIDLANDS
Tel: (021) 882 4222
SOUTH
Tel: (0753) 22391

WORLD NEWS

**Arab plan
lifts Lebanon
peace hopes**

General Michel Aoun, leader of Lebanon's Christian forces, yesterday opened the way to possible peace in his country when he accepted Arab League proposals for ending the conflict.

With a formal ceasefire due to start today, the deal appeared to signal the end of six months' fierce fighting in Beirut between Christians and Moslems. Page 24

Hugo hits US

Hurricane Hugo tore into the south-eastern US with 135 mph winds, killing at least four people in South Carolina. Buildings in Charleston were flattened and the roof was ripped off the city hall. Page 2

Red stars to go

Hungary is to remove communist red star symbols from public buildings and replace them with a national flag or coat of arms. Thousands of former political prisoners are being promised compensation. Page 5

Ambulance talks fail

Talks between Britain's 19,000 ambulance workers and health service chiefs broke down amid mutual recriminations, making it likely that the pay dispute will now spread. Page 5

Peking opponents rally

Emigre Chinese dissidents in Paris launched the Front for Democratic China, intended to be a worldwide opposition group to one-party rule in Peking.

Student numbers grow

Six per cent more applicants have gained UK university places this year than last. The number of new entrants has risen by 5,663 to 94,310. Student loan schemes take near end. Page 4

Hizbollah threat

The Lebanese pro-Iranian Hizbollah group threatened revenge against Saudi Arabia for executing 16-Sainte-Merle-Kuwaitis convicted of bombings during the July pilgrimage to Mecca.

US-Soviet dialogue

High-level talks opened in Wyoming between the US and Soviet Union amid optimism that there could soon be a summit meeting between Presidents George Bush and Mikhail Gorbachev. Page 2

British club attacked

Twenty-five people were hurt when three grenades exploded in the garden of the British Club in the Iraqi capital, Baghdad, on Wednesday. Expatriates of all nationalities use the club.

Nobel row over Rushdie

Three members of the Nobel Literature Prize committee in Sweden have quit over the group's refusal to condemn threats to Salman Rushdie, author of the controversial novel *The Satanic Verses*. Their resignations have not been accepted.

SNP targets Labour

The Scottish Nationalist Party singled Labour out as its main opponent at the next general election, saying the party was the biggest obstacle to Scottish self-government. Page 4. Scottish Greens go independent. Page 5

Beer-cancer link

Daily beer drinkers are 12 times as likely to develop cancer of the colon than teetotallers, according to a 17-year study in Japan. Researchers at the Institute of Preventive Oncology, Tokyo, found that drinkers in general were at four times greater risk.

Europe loses in Ryder Cup

Spanish golfer Severiano Ballesteros and Jose-Maria Olazabal helped the European team to a 5-3 lead after the first day of the Ryder Cup against the US at The Belfry, Birmingham. Europe won the afternoon foursomes 4-0 after losing the morning foursomes 3-1. Europe's spirited come-back, Page XXII.

MARKETS**STERLING**

New York lunchtime: \$1.5765
London: £1.548

\$1.5735 (1.551)
DM 3.0725 (same)

FFr 10.385 (10.3875)
SF 2.66 (same)

Y229.5 (229.75)
£ index 91.8 (same)

GOLD
New York Comex Dec:
\$371.1
London:
\$365.25 (363.5)

SEA OIL (Argus)
Brent 15-day Oct:
\$17.52 (17.85)

Chief price changes
yesterday: Page 24

BUSINESS SUMMARY**Michelin
buys Uniroyal
for \$1.5bn**

Michelin of France overtook Goodyear as leader of the world tyre market when it bought Uniroyal Goodrich of the US for about \$1.5bn (£952m).

Michelin will take over nine mostly elderly tyre, textile and rubber factories worldwide, annual sales of about \$2.2bn (£1.38bn), a workforce of about 18,500 and a network of independent tyre dealers. Page 24

UK EQUITIES drifted downwards in another cautious trading session ahead of this weekend's meeting of the Group.

FT Index

Ordinary share (hourly movements)	1985	1986	1987	1988	1989
1960	18	18	18	18	18
1955	18	18	18	18	18
1950	18	18	18	18	18
1945	18	18	18	18	18
1940	18	18	18	18	18
18	18	18	18	18	18
22	22	22	22	22	22

of Seven Ministers. The FT Ordinary lost 13.4 to 1,949.5, virtually unchanged from last week's close of 1,949.7. London Stock Exchange, Page 15

CHRYSLER, third-largest US motor manufacturer, sold half of its holding in Mitsubishi Motors to Japanese institutional investors for nearly \$600m (£380m). Page 19

UK CONSUMER spending remained buoyant in the second quarter of this year, but a fall in fixed investment and stock building meant that overall economic activity ground to a halt between April and June. Page 4

UNIT TRUSTS: The value of funds under management rose by £1.5bn in August to a record of £26.1bn, a 4% per cent increase over the last year and 25.8% above the level in September 1987, just before the stock market crash. Gross sales of £265.5m and net new investment of £233.8m in August were the highest since February. Equity confidence, Weekend Page II

PROCTER & GAMBLE, US consumer products group, is branching out into cosmetics with the agreed \$1.8bn (£225m) takeover of Novex. Page 10

FERRUZZI, Italian food and agricultural products conglomerate, announced extraordinary losses on its trading operations that could reach up to \$100m (£65m). Page 19

ACCOUNTANCY firms Horwath & Horwath and Spicer & Oppenheim abandoned talks for a merger which would have created the world's sixth largest firm. Merger talks between Arthur Andersen and Price Waterhouse also appeared to be in difficulties. Page 24

EAGLE TRUST: Standard Chartered Bank issued a writ claiming 25.8m if it says it is owed by John Forsyth, former chairman and chief executive, and Richard Smith, former managing director, of the UK mini-conglomerate being investigated by the Serious Fraud Office. Page 8

BANCA Nazionale del Lavoro, Italian bank at the centre of an international scandal over \$3bn (£1.95bn) of unauthorised fraud export loan commitments, suspended half of the 18-member staff at its Atlanta, Georgia, branch as a result of the affair. Page 2

LILLEY, construction group, failed in its long-running battle to take over fellow contractor Tilbury, with 48.64 per cent of its target. Page 8

PILOFAX, UK personal organiser company, is to launch its first advertising campaign to try to shake off its "yuppie" image, following an interim pre-tax loss of £554,000, compared with profits last time of £571,000. Page 8

THE LUNCHTIME

RATES: Fed Funds 8.5%
3-mo Treasury Bill:
yield: 8.002%

Long Bond 9.5%
yield: 8.189%

● 10 bandsmen killed and 22 injured at barracks ● IRA claims responsibility

Bomb raises questions on MoD using private guards

By Richard Evans

THE MURDER by the IRA of 10 young bandsmen at a Royal Marine barracks in Kent early yesterday has led to widespread calls for an inquiry into the way "soft" military targets are protected from terrorist attack.

The bomb ripped apart a three-storey recreation centre at the Royal Marine School of Music near Deal, killing 10 and injuring 22, with two still missing. Nine of the dead were military personnel and one had not been identified last night. Nineteen of the injured were detained in local hospitals.

As the victims, mostly aged 17 and 18, lay in the debris being dug out by colleagues and firemen, the IRA claimed responsibility for the blast.

Politicians from all parties expressed concern at the disclosure that the barracks where the bombing occurred was guarded by a private security firm rather than by Ministry of Defence personnel.

The Ministry of Defence said yesterday that 21 military establishments in the UK were guarded by private security companies, which operated only at bases regarded as low security risks. They performed simple, routine guard duties.

It was the first big mainland attack since July 1982, when a car bomb in London's Hyde Park killed four members of the Household Cavalry. On the same day seven bandsmen were killed by a bomb in Regents Park.

Mrs Margaret Thatcher was informed of the bombing as she flew from Tokyo to Moscow at the end of her four-day trip to Japan.

Following a recent spate of IRA bombings against British military targets in West Germany, security chiefs were

calculating that yesterday's outrage could foreshadow a fresh campaign in Britain aimed at soft targets.

The attack will mean heavily increased security alerts at the forthcoming party political conferences, particularly the Conservative conference at Blackpool in three weeks.

The bombing was universally condemned as an outrage by leading politicians from Ireland as well as the UK and it could have the effect of uniting the Dublin and London governments at a time of high tension.

Relations have been particularly strained by the disclosure that security documents relating to IRA suspects have been leaked to Protestant paramilitary groups.

But the immediate concern yesterday was to discover how the bombing occurred and how effective security is at similar soft military targets. The Ministry of Defence promised an immediate inquiry.

Attention is certain to focus on the disclosure that security at the Deal barracks was the responsibility of Reliance Security, a Croydon-based company that has had the Ministry of Defence contract at the Royal Marine barracks since January last year.

But the disclosure, together with widespread local reports of lax security at the Deal barracks, led to an immediate outcry by politicians of all parties for an inquiry and an end to the use of private firms to guard military establishments.

Mr Tom King, the Defence Secretary, who went to the scene, said security was constantly kept under review but he refused to comment on the Controversy on Page 24. The bombing at Deal, Page 3



Tom King at the scene: full investigation will be held

Seaside town wakes up to horror

By Kevin Brown in Deal

AT FIRST SIGHT, none of the usual journalistic clichés seemed to fit in Deal yesterday. The Royal Marines bandmen are a popular institution in this Victorian seaside town, but the only obvious sign that something awful had happened to them was the presence of journalists and camera crews and the blanket security that always appears too late.

Unlike Brighton, in 1984, when an IRA attempt to assassinate the Cabinet almost brought the town to a standstill, the people of Deal seemed to be going about their business almost oblivious of the drama in their midst.

Perhaps it was because the scene of the outrage was hidden from view, behind the high walls of the Royal Marines barracks, well away from the seafront and the rows of terraced houses behind it.

But as the day wore on and the extent of the deaths and injuries filtered through tempered rose.

In the Green Beret pub, next to the entrance to the Marines' South Barracks on Canada Road, they were discussing the awful injuries inflicted on men they knew – drinking companions and friends who would be spending weeks, perhaps months, in hospital. Outside the small shop on The Strand, facing the fishing boats drawn up on the pebble beach, a group of middle-aged women considered the motives of the men who did this.

A former bandsman, a native of Deal, told how he had heard that a friend was among the dead. Another victim he knew only as "Tough". Continued on Page 24

He would like to see the IMF revert to its original function as a temporary provider of financing to countries in balance of payments difficulty.

Over the past few years it had become too deeply involved with longer term issues of debt and development.

He said that the Fund's role in the World Bank is better suited to dealing with the problems of the middle income nations and the poorest countries.

He would have to be forthcoming before agreement on a quota increase.

He said that the US recognised that the IMF would need a quota increase at some time. However, he pointed out that the Fund was extremely liquid compared with previous occasions when it has sought new resources from its members.

Some non-US monetary officials speculated yesterday that the US would increase its quota. Continued on Page 24

Editorial comment, Page 6

Weekend FT

EAST MAKES GOOD IN THE WEST
Peter Riddell examines the growing influence of Asian-Americans on US society, Page I

Finance
Finding a way around the regulations for personal equity plans, Page III

Travel
Julia Berney on top of Australia; Nigel Spiers avoids the mud-wrestlers on Corfu; and Michael Wigan in the Andaman Islands, Pages VII-VIII

Books
New novels from Martin Amis and Michael Frayn, Pages XVI-XVII

Food and Wine
Lifting the lid on service charges, Page XVIII

Arts
William Packer on Hogarth in Venice, Page XX-XXI

ONLY FROM FIDELITY

Total Performance. Why no investor can afford anything less.

Total Performance is total commitment to superior investment management. Not just in the UK, but all around the world.

Total Performance comes from superior resources in global research.

From greater strength in investment management.

And from complete dedication to better service.

In short, it's a total combination of strengths. And it's a total combination that only Fidelity can deliver on a global scale.

These days, only Total Performance can provide unit trust investors with the maximum opportunity for consistent sustained long-term growth.

OVERSEAS NEWS

Rebellion charge brings Bhutto's Punjab problem to a head

Relations between the central and provincial administrations have taken a bizarre twist, Christina Lamb writes

IN A bizarre twist in the uneasy relations between Pakistan's federal and provincial governments, which are headed by different parties, the Interior Ministry has accused the Punjab government of "rebellion against the Federation", listing a charge-sheet of "illegal steps" by Punjab against the central administration.

The move comes after two officers of the Federal Investigation Agency (FIA) were arrested in the middle of the night by Punjab police, and charges of murder and kidnapping were registered against them.

In retaliation, the Central administration recalled four senior civil servants posted in Punjab, including the police chief, accusing them of "taking part in politics".

Mr Nawaz Sharif, Punjab Chief Minister, who keeps a tight grip on his administration, has asked them not to go.

The action against the FIA offi-

cials was apparently taken at the behest of Mr Sharif, who is also leader of the opposition Islamic Democratic Alliance (IDA), in response to their raid on a Pepsi bottling plant for allegedly evading taxes.

The owners of the plant, who are close allies of Mr Sharif, include a provincial minister.

An Interior Ministry spokesman described the arrest of the FIA officials as "unprecedented and unwarranted".

He added that it "comes in the wake of several other acts aimed at subverting the Constitution and law and order authority of the Federal government".

The problem stems from election results in which, though Ms Benazir Bhutto's Pakistani People's Party (PPP) formed a federal government, they fared worse in the provinces,

enabling Mr Sharif to retain control of Punjab, the largest province,

which he has now ruled for four years.

Unable to develop a working relationship, and failing to remove each other by political means, both sides have resorted to using rival intelligence agencies to tap each other's phones and shadow each other's movements.

Mr Sharif, one of the country's wealthiest industrialists, claims the PPP first tried to delay his oath-taking, then tried to buy his Assembly members.

He says it is now trying to destroy him economically by refusing to provide railway carriages to his company, Ittefaq, to shift scrap, forcing his foundry to close and lay off workers.

His closest ally, Gen Fazil Haq, has been imprisoned, accused of being implicated in arranging a mur-

der.

The PPP has also accused Mr Sharif of widespread tax evasion,

stealing electricity, and obtaining loans by false means, and an investigation is under way.

Banks, which are nationalised, are refusing him credit, and say they fear repercussions in dealing with Ittefaq.

Mr Javed Jabbar, the Information Minister who wanted to give more coverage to the Opposition, has been removed, and newspaper editors say they have been warned not to write certain articles, and have been harassed by the FIA.

Mr Rao Rashid, Adviser to the Prime Minister on Establishment, argues: "We've taken away Mr Sharif's privileges, not his rights", and claims Mr Sharif is "using Punjab police like his own personal henchmen".

The police arrested Mr Salman Taseer, the PPP's Deputy Opposition Leader in Punjab, after he had been given bail on a charge of making an anti-army speech, and have issued a

warrant against Mr Mukhtar Awan, the Manpower Minister, in a murder case. - moves which the Interior Ministry spokesman described as "an attack on the Federation".

PPP ministers say that Mr Sharif is "trying to run a state within a state", citing his creation of a Punjab Bank, talk of Punjab TV station and discussion of foreign policy in the Punjab cabinet, as a "virtual declaration of independence".

However, Mr Arshad Lodhi, Punjab Minister for Revenue, argues: "The Punjab Government is working according to the law of the land and the Federal Government is engaged in victimisation".

The PPP is anxious to regain its former stronghold of Punjab, home to 62 per cent of the population, without which it cannot win future elections.

They say they cannot work with Mr Sharif, whom they see as a vestige of martial law, and PPP mem-

bers elected from Punjab fear that with all the patronage at his disposal, they will not be re-elected.

With the arrest of the FIA officials and an Interior Ministry investigation into "Punjab's revolt", the situation seems to have reached a head.

Punjabis admire men of iron, and some ministers had suggested trying to force a clash between the FIA and the Punjab police to show who is the stronger.

According to an Interior Ministry statement, the FIA had been investigating allegations of excise evasion amounting to millions of rupees. It said investigations into Ittefaq had reached "a conclusive phase".

The Interior Ministry say they are examining "whether this is all part of a pre-planned programme indicated by the Chief Minister's statement in November, that even if a Benazir Bhutto government was formed at the centre, he would not allow it to govern".

Iraqi alert after bomb attacks on foreigners

By Victor Malliet

TWENTY-FIVE people were injured in a grenade attack on an expatriate club in Baghdad this week, and several more were hurt by a car bomb in the city centre. They were the latest in a series of acts of violence, apparently aimed at foreigners in Iraq.

Residents of the Iraqi capital say additional military units have been mobilised to increase security following the attacks, which coincide with an international cultural fair in Babylon.

According to the British Embassy, three grenades were hurled into a crowd watching a film at the British Club on Wednesday, and a nine-year-old Polish boy was seriously hurt.

Among the principal suspects for the attacks are Kurdish opposition movements and Dawa, a shadowy Shia Moslem organisation.

Environment worry

Commonwealth Finance Ministers ended their annual meeting expressing concern that international pre-occupation with the environment risked imposing unduly heavy burdens on developing countries. Stephen Fidler reports from Kingston.

A statement issued at the end of a two-day meeting, reflects the worry among developing country governments that they will suffer as solutions are sought for global environmental problems.

Minister resigns

The Colombian Justice Minister, Mrs Monica de Greiff, has resigned after three months of defying death threats from drug barons, sources said, AP reports from Bogota.

Mrs De Greiff, 32, drew praise worldwide after she traveled to the US in August to ask for help in protecting hundreds of judges facing death threats from traffickers.

Stephen Fidler reports from Bogota.

Strike breakthrough

The three-week strike at Peugeot, the French car maker, yesterday showed the first signs of weakening, William Dawkins reports from Paris.

A spokesman estimated that just 500 workers at two plant, out of a combined workforce of 36,000, were on strike.

Threat to Saudis

Lebanon's pro-Iranian Hizbullah yesterday threatened vengeance against Saudi Arabia for executing 16 Kuwaiti Shiites.

A spokesman estimated that just 500 workers at two plant, out of a combined workforce of 36,000, were on strike.

The Kuwatis were beheaded for involvement in a bomb blast in July during the annual Muslim pilgrimage to Mecca, in which one person was killed and 16 wounded.

Peres Moscow trip

Mr Shimon Peres, Israel's Finance Minister, said yesterday he had been invited to visit the Soviet Union in the latest move towards the rebuilding of ties with the Eastern bloc, severed after the 1967 Six-Day War. Hugh Carnegie reports from Jerusalem.

Earlier this week, Hungary restored full diplomatic links with Israel.

Taiwan offers refuge

Taiwan plans to admit as permanent residents more than 40 exiled student leaders from China, who are stranded in Hong Kong and elsewhere. John Elliott reports from Taipei. This controversial step is bound to provoke an angry reaction from Peking.

Mackawa dies at 78

Mr Haruo Mackawa, author of an influential report which proposed radical reforms to improve the everyday lives of Japanese in the 1980s, died yesterday aged 78.

The so-called Mackawa Report was named after him because he played such an important role in its compilation in 1986.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd, Frankfurt Branch, cover-ed by E Hugo Frankfurter/Main, and, as member of the Board of Directors, G.T.S., Dr. R. A. Miller, D.E.P. Palmer, London, Printed by W. C. S. Druckerei-GmbH, Frankfurt/Main, Responsible editor, Sir Geoffrey Owen, Financial Times, Number One, Queen's Bridge, London SE1 9HL.

* The Financial Times Ltd, 1989.

FINANCIAL TIMES, USPS No. 150640, published daily except Sundays and holidays. US subscription rates and rates for Second-class postage and air mail. Second-class postage and air mail rates and additional mailing offices, FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Financial Times (Scandinavia) Ltd, Ostergrinde 44, DK-100 Copenhagen, Denmark. Telephone (01) 33 44 41. Fax (01) 31333.

BNL suspends more staff over Iraqi loans scandal

By Alan Friedman in Milan

BANCA Nazionale del Lavoro (BNL), the leading Italian bank that is at the centre of an international scandal over \$3bn of unauthorised Iraqi export loan commitments, has suspended half of the 18-member staff at its Atlanta, Georgia, branch as a result of the affair, a bank spokesman said yesterday.

Between February 1988 and July of this year the Atlanta branch disbursed \$1.85bn of the \$3bn in Iraqi-related loan commitments without any authorisation from BNL's head office, and without reporting the loans to US authorities or even recording them on its official books.

Mr Chris Dragouli, the Atlanta branch manager, has already been sacked and is under judicial investigation in both Italy and the US. Mr Paul von Wedel, deputy to Mr Dragouli, is among those suspended by BNL.

Investigators had previously said they believed that as many as 12 BNL Atlanta staff members might have been involved in the improper Iraqi

loans. Some Atlanta staff are understood to have had dealings with a senior official of the Iraqi Ministry of Industry and Military Production as well as the Central Bank of Iraq.

Up to \$1bn of the loans - made by Atlanta to both the Iraqi Central Bank and to US and to European companies exporting to Iraq - are believed to have funded an Iraqi shopping list of apparently civilian equipment and technologies that were used for military projects, ranging from conventional munitions to Baghdad's effort to develop a nuclear-capable ballistic missile, code-named the Condor 2.

In many of the credits issued by BNL Atlanta, the customer is named as the Nasr State Enterprise for Mechanical Industries, which comes under Iraq's Ministry of Industry and Military Production.

Meanwhile, it has been agreed that a total of £2,000,000 (288m) of fresh capital is to be supplied to BNL. The capital injection follows

Optimism at US-Soviet talks

By Lionel Barber in Jackson Hole, Wyoming

THE United States and the Soviet Union yesterday held high-level talks here amid optimism on both sides that the foundation can be laid for an early summit meeting between President George Bush and President Mikhail Gorbachev.

Mr James Baker, US Secretary of State, and Mr Eduard Shevardnadze, the Soviet Foreign Minister, explored the full range of superpower relations, particularly a detailed letter to Mr Gorbachev aimed at giving fresh impetus to the strategic arms reduction talks (Start) in Geneva. Early yester-

day morning, the two men emerged smiling from Jackson Lake Lodge, with Mr Baker saying: "Our relationship has grown from one of confrontation to dialogue. I hope we can move on to co-operation."

Mr Shevardnadze, in his response, said: "I would especially like to emphasise it is high time for us to move from mutual understanding to mutual action."

This week's superpower talks are the most intensive since President Bush took office eight months ago. US officials said they had been

Firm Thatcher steered for Moscow talks

By Philip Stephens, Political Editor

MRS Margaret Thatcher arrives in Moscow today to tell President Mikhail Gorbachev that, while his policies of perestroika and glasnost are welcome, they have not persuaded her that the major differences between East and West have been resolved.

Following a day of meetings, an individual to own up to 30 per cent of the shares of an enterprise;

• A legal guarantee of property rights and their equality under law with state and co-operative property;

• Limitation of the role of the state in liquidation and reorganisation of enterprises;

• Establishment of a form of property held in common by all employees of a given enterprise;

• Collection of signatures by supporters was declared illegal.

Ranging across subjects as diverse as drugs, terrorism and economic policy, she identified East-West relations and the global environment as the major challenges of the 1990s.

Her comments underlined the expectation that Britain would stand firm at the conventional arms reduction talks in Vienna in the face of Moscow's latest initiative.

She said it was in the West's interests that reform in the Soviet bloc should succeed.

Poland and Hungary should be offered financial aid, debt rescheduling and help with management.

Mrs Thatcher identified action to protect the global environment as another political issue for the next decade.

She called for a vast, international co-operative effort through the United Nations to tackle the threat of global warming and damage to the ozone layer. She will address the UN in New York on the issue in November.

Conservative governments worldwide had to generate the same sort of change in people's attitudes to the environment as they had brought about on economic management, she said.

E German opposition refuses to be deterred

By Leslie Coiff in East Berlin

ORGANISERS of East Germany's first country-wide opposition movement, New Forum, said they would not be deterred by an Interior Ministry statement condemning it as "subversive".

The Interior Ministry rejected an application submitted earlier this week to register New Forum as an association. In a statement published in all newspapers yesterday, the Ministry said the group's goals contradicted the constitution and represented a "subversive platform".

Collection of signatures by supporters was declared illegal.

Support for an opposition in East Germany mounted. A group of 44 East German rock musicians yesterday issued a statement in a letter to West Berlin newspaper which said they were "sick of seeing

New Forum has attracted more than 2,000 signatures, many of them Party members, in the 10 days since it was founded. It called on the Party to open a dialogue with the population, while stressing it did not seek power and respected the Party's leading role.

Mr Rolf Heindl, a former Party member and one of the founders of New Forum, said the rejection was "unprecedented".

Support for an opposition in East Germany mounted. A group of 44 East German rock musicians yesterday issued a statement in a letter to West Berlin newspaper which said they were "sick of seeing

attempts at democratisation being criminalised or ignored" by the authorities.

The East German writers' union called for a "democratic dialogue and a correction" in the Party's policies.

Mr Klaus Hocke, East Germany's deputy Minister of Culture, earlier called on senior officials to stop "leading people by the nose and patronising them".

Mr Erich Honecker, the 77-year-old Party leader, who has come under growing pressure to resign, was said by officials to be preparing to resume work next week after a serious gall bladder operation.

Top Swedish banker faces tax inquiry

By Robert Taylor in Stockholm

THE chief executive of Sweden's largest commercial bank, Skandinaviska Enskilda Banken, Mr Jacob Palmstierna, is being investigated by the tax authorities. No charges have been made against Mr Palmstierna, who took over the top post at SEE only last April.

He said yesterday he had committed no crime and had no intention of resigning.

Mr Palmstierna added that he believed he continued to have the full support of SEE's board. Mr Curt G Olson, the bank's chairman, said yesterday: "We have no reason not to have confidence in Mr Palmstierna."

The drama at SEE was heightened last Thursday when the police carried out a raid of the bank's head office in Stockholm in the search for Mr Palmstierna's tax affairs for 1980 to 1987, a move that has been quite unnecessary.

However, the police, who have been investigating Mr Palmstierna's tax affairs since July, said that the visit to SEE

headquarters was needed because they said the SEE chief executive had not co-operated in providing the information they needed.

It is being alleged that Mr Palmstierna has not disclosed in his tax returns the details about the advantageous rent he was paying on a luxury house in one of Stockholm's more fashionable neighbourhoods.

The SEE chief executive - it is alleged - sold the villa he had been living in to a property company ABV in 1986 and that the bank had rented it on his behalf for a sum of SKr14,000 a month, of which he paid only SKr2,000 himself. In 1987 Mr Palmstierna bought the house back from ABV for SKr1.50m, which was only 15 per cent more than he had sold it for, although house

THE BOMBING AT DEAL

Mainland attacks ensure IRA's cause remains in the centre stage

By Kieran Cooke

THERE WAS something horribly inevitable about yesterday's bomb attack in Kent, the IRA's most spectacular terrorist strike on mainland Britain since the Brighton hotel bombing in 1984.

The IRA has been going through tough times lately. Last month was the 20th anniversary of British troops in Northern Ireland. An upsurge in IRA activity had been widely predicted. Many thought the IRA, acutely aware of the presence of the world media in Northern Ireland, would launch a bombing campaign or try to pull off some spectacular attack, such as the shooting down of military helicopters with newly acquired Libyan missiles.

In the event "the big one" did not happen. This year it has been unusually peaceful in Northern Ireland.

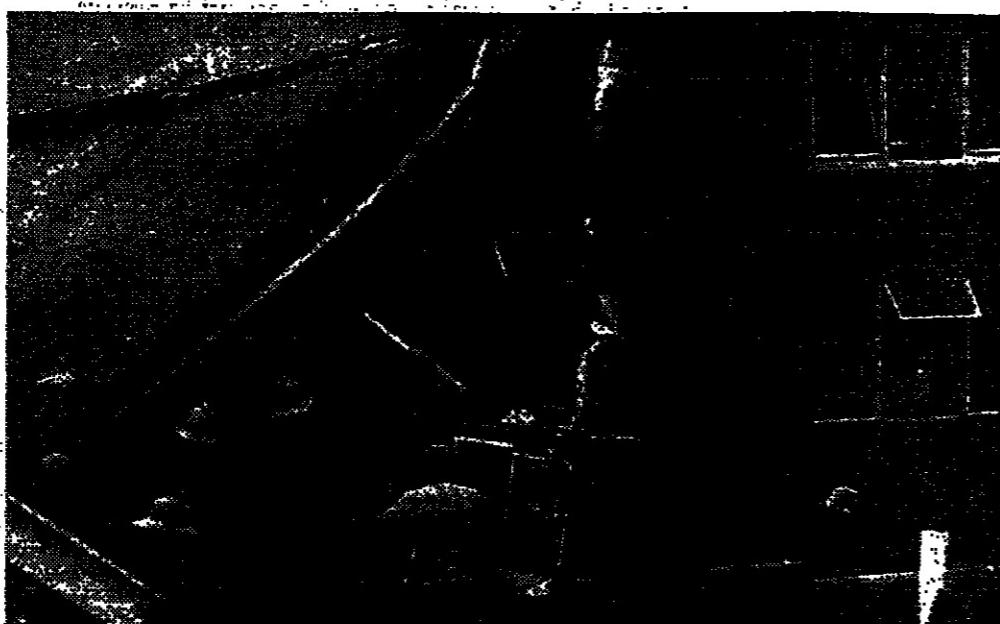
The IRA was said to be demoralised, its more experienced operatives tracked down by increasingly effective security intelligence, its depleted ranks split between those who favour a more political approach to "the struggle" through Sinn Fein, the IRA political wing, and those who want an escalation in the campaign of violence.

But the IRA has always been at its most lethal during such times. Yesterday was its answer to those foolish enough to have written it off.

The IRA makes no apologies for hitting so-called soft military targets. After several bungled bombing attempts in which civilians were killed, the IRA recently said it was "refining" its campaign, concentrating almost exclusively on military targets, or in its language, on "the forces of the Crown."

However, within that strategy, the IRA has made it clear that military just does not mean those in uniform. It means anyone connected with the military, whether they be bandmen or soldiers' wives and their families.

The strategy was made clear recently by Mr Danny Morrison, Sinn Fein's publicity director. "It is very difficult, if you are an IRA volunteer, to attack these people when they are in full armour or wearing flight jackets or in jeeps or on



Firemen and rescue workers use earth moving equipment to search the wreckage

patrol with 50 of their mates — so the IRA ends up attacking them when they are out of uniform and then of course they are criticised for being cowardly... it is all propaganda."

Moreover, the IRA has realised that the propagandist impact of attacks on security forces and personnel on mainland Britain or in Europe are far greater than similar attacks within Northern Ireland.

A soldier killed on patrol in West Belfast is unfortunately an almost routine affair, making little impact outside Northern Ireland, the Irish Republic, Britain and on the Continent.

In the past three years many

reaching the hard cadre at the heart of some of the IRA's most bloody operations have themselves been killed. While the IRA has a vast quantity of armaments, including considerable amounts of easily transported and concealed Semtex explosive, security forces believe the IRA has only a handful of truly experienced and hardened operatives capable of carrying out such attacks as yesterday's.

These "active service units" are organised on a cellular basis and work independently of each other; almost all such people are on security forces records, are from both sides of

the border and likely, to reveal themselves.

But the IRA has succeeded in once again making front page news around the world. There is an added political dimension to yesterday's attack. Over the past two weeks the administration in Northern Ireland, Westminster and the Irish authorities have been involved in an increasingly bitter row over the leaking of security forces documents on alleged IRA terrorist suspects to loyalist paramilitaries.

The Irish Government, through the Anglo-Irish Agreement, sees itself as a defender of nationalist rights and aspirations in Northern Ireland. It wishes to be seen to be at the forefront of change and reform in the province.

The IRA has always said

that it alone, through what Mr Gerry Adams, Sinn Fein's president, calls "the cutting edge" of violence, can effect any meaningful change in Northern Ireland. The shouting between Dublin and London is now likely to fade away in the wake of this latest atrocity.

Once more the IRA has, through its lethal means, stayed the centre stage.

The question whether or not yesterday's attack marks the start of a new IRA campaign on mainland Britain is hardly relevant. The IRA would say

Barracks used private security company

By John Thornhill

RELIANCE SECURITY Group has worked at the Royal Marines barracks in Deal since January last year. The company, which employs over 3,000 people, yesterday refused to state whether it carried out other work for the Ministry of Defence.

The London-based group has more than 800 long-term security contracts throughout the UK although it would not disclose how many of those were in military sites.

The ministry said that 21 military establishments in the UK, according to its latest figures, were guarded by private security companies.

They operate on bases regarded as low security risks, performing simple routine duties, such as staffing guard rooms, checking cars and personnel, searching buildings and making unarmed perimeter patrols. Such duties have occasionally been performed by the Royal British Legion.

The MoD said security was constantly under review, but that there would be a full-scale inquiry, which would include the use of private companies.

Private security was first used in this way by the MoD in 1978 and, since then, it has employed 17 separate companies to guard over 30 different bases. The MoD believes there are about 250 private security personnel involved on the present 21 establishments where private security is used.

The ministry would not say why they were chosen in preference to military personnel, or whether it was part of a cost-saving exercise, but said any company used would have to meet stringent, constantly reviewed standards.

Reliance Security's 1989 annual report said it provided security services to 58 of the Times' top 100 UK companies. Customers included British Aerospace, British Coal and the Lord Chancellor's Office. Reliance also provides services for the Channel Tunnel, Dartford, Ramsgate new town and London Docklands.

Founded by Mr Brian Kingham in 1978, it was floated on the Unlisted Securities Market in 1987, when it said it was one of the three largest specialist companies in its field. In 1989, it had a turnover of £34.16m.

Mr Peter Paice, Reliance managing director, said he could make no comment on security arrangements at the base, but added that he was utterly appalled and horrified.

Protection of soft targets 'impossible to guarantee'

By Richard Evans

THE APPARENT strategy of the IRA to attack "soft" military targets leaves security forces with an ultimately insoluble problem.

Defence chiefs acknowledge that while a limited number of obvious targets such as army camps and barracks, Royal Air Force bases and naval yards can be protected by a high degree of external security involving high walls, barbed wire and military guards, that is simply not possible on a wider scale.

There are thousands of organisations such as training and music schools, married quarters and other service-related establishments, where security cannot be as tight, other than for short periods.

The key question after the bombing at Deal is how far it is practicable to improve the protection from terrorists of the potential soft targets that have

some connection with the services but are not subject to tight military security.

A Defence Ministry spokesman said: "The whole question will clearly be looked at afresh, but it is difficult to see how security can be guaranteed everywhere. It must be more a question of a constant state of vigilance."

What was becoming more apparent was the need to emphasise constantly how important such vigilance was to the families and everyone else with any connection with the services.

There was immediate criticism yesterday of the standard of protection given to soft military targets in general, and to the Royal Marine School of Music in particular.

Residents living near the school claimed security was slack. "Anyone in Deal will tell you how easy it is to get into

the base. It has not been guarded by Marines for the past 18 months," said one local.

Widespread anxieties on the use of private security firms was expressed by politicians from all parties. Mr Paddy Ashdown, leader of the Social and Liberal Democrats, said he had asked the Government two years ago to review the use of private security firms for guarding military personnel and installations.

Mr Martin O'Neill, shadow defence secretary, said Labour had warned the Government on a number of occasions that its policy of increasingly using private security firms at MoD establishments was misguided.

"The Government can no longer continue to justify the policy of reducing the numbers of MoD police involved in safeguarding the lives of the armed forces and their families," he said.

Mr McCrea added: "No doubt the IRA were spurred on in their quest for blood by the support they have received from the SDLP and the southern government over the last two weeks."

He said: "I strongly condemn the bomb attack on Deal Barracks in Kent which has caused severe and tragic loss of life and many injuries."

The Rev Ian Paisley, Democratic Unionist leader, said: "When will Mrs Thatcher wake up to see that the softy, softy approach of the Anglo-Irish Agreement is digging the

grave of members of the security forces and is supplying the needed oxygen to the terrorist campaign?"

The Rev William McCrea, the Democratic Unionist MP for Mid Ulster, said the IRA's claim of responsibility showed who were the real enemies in Ulster society.

Mr McCrea added: "No doubt the IRA were spurred on in their quest for blood by the support they have received from the SDLP and the southern government over the last two weeks."

He added: "It emerged yesterday that a Royal Marine band on tour in Northern Ireland would have known many of those killed in the Kent blast."

Unionists defend role of UDR

By Our Belfast Correspondent

BEFORE yesterday's bombing, Mr Ray Burke, the Irish republic's Justice Minister, had called into question the need for the Ulster Defence Regiment in the wake of the allegations that confidential documents had been leaked to Protestant paramilitaries.

Unionist politicians were incensed by Mr Burke's statement that it was up to the Government to justify the regiment's continued existence.

The Rev Ian Paisley, Demo-

catic Unionist leader, accused Mr Burke of "bloated arrogance" and added: "It is now clear that there has been an attempt to conceal from the people of Northern Ireland what did happen at the Conference."

He said Mr Burke had spent it out in plain terms that they do not want just a disbandment, but the UDR's total destruction, just as they wanted the destruction of the Ulster Special Constabulary.

Terrorist attacks in mainland Britain

Mayhem and destruction after blast at rest room

Financial Times Reporters

- February 1989: Attempted attack by two men on Tern Hill Barracks, Shropshire. Prevented by sentry.
- August 1988: Soldier killed, nine injured in bomb at Ingles Barracks, Mill Hill, London.
- November 1985: Two bombs defused outside Chelsea Barracks, London.
- October 1984: Bombing of the Grand Hotel, Brighton, during Tory party conference. Six killed, 30 injured.
- December 1983: Bomb at Harrods, six killed and 94 injured.
- July 1982: Car bomb in Hyde Park, London, killed four men in Household Cavalry. On the same day, seven Royal Green Jackets bandmen killed by a bomb under a bandstand in Regent's Park, London.
- November 1981: Pistol booby-trap outside Woolwich Barracks injured two women.
- October 1981: Nail-bomb outside Chelsea Barracks killed two people and injured 40. Another in Oxford Street killed bomb disposal expert.

• March 1979: Arley Neave, Tory Shadow Secretary for Northern Ireland murdered.

• August 1978 to March 1976: Sustained campaign, including bomb at London Hilton (two killed, 60 injured); car bomb outside Mayfair restaurant (two killed, 22 injured); Ross McWhirter murdered.

• February 1974: M62 bomb near Bradford, 11 people dead.

• July 1974: Bombs in Manchester, Birmingham and Tower of London, one killed and 41 injured.

• October 1974: Bomb attacks on two pubs in Guildford killed five people and injured 70.

• November 1974: Bombs in two pubs in Birmingham killed 19.

• December 1974: Bomb in London, one killed, five injured.

• March 1973: Bombs at Great Scotland Yard and Old Bailey, one killed, 238 injured.

• August 1973: Bomb disposal expert killed by bomb in Birmingham.

• February 1972: Car bomb outside Parachute Regiment officers' mess, Aldershot, killed five civilian women workers and two men, one a Roman Catholic army chaplain.

Police, firemen and Marines helping to rescue survivors

and search for the dead were told to beware of possible secondary devices which could have been planted by the terrorists. Marines from the nearby south barracks came to help lift the wreckage.

Rescue workers dug with their hands to help the injured trapped in rubble. The most seriously hurt were taken to Kent and Canterbury Hospital. Ambulance crews lifted their overtime ban indefinitely as off-duty staff rushed to help with the rescue work.

Dr Adam Stacey-Clear, Kent and Canterbury Hospital surgical registrar who was among the first to arrive, said: "There was a lot of emotion. There were plenty of pairs of hands removing the rubble but it was a very emotional atmosphere."

The first thing that struck me was the smell of cordite. There was mayhem, rubble and destruction. There was a great deal of activity with firemen, policemen and military personnel everywhere. We did what we could, putting up drips and giving pain-killing injections."

Police, firemen and Marines

helping to rescue survivors

nearby were badly damaged and heavy lifting gear was brought in to clear the debris. Thermal imaging cameras and heat-detecting equipment were used to locate trapped victims of the blast. Ten heavy cranes from the nearby channel tunnel were brought in to help lift the wreckage.

Kent and Canterbury Hospital

management said: "The emergency procedure went extremely smoothly. We had rehearsed it frequently and were able to respond readily. We had extra blood and extra medical supplies as well as additional staff."

Medical staff from the Blond McIndoe Burns Centre at the Queen Victoria Burns Hospital in East Grinstead, the regional unit for the Deal area, visited victims at the Dover and Canterbury hospitals.

Doctors appealed to Kent

people through local radio stations to donate blood at special centres in Deal and Maidstone today, as blood and plasma kept in store for bomb victims was in short supply.

Fourteen of the injured were

taken to the 45-bed cottage hospital in Deal, all but one suffering from cuts, bruises and shock. Four were taken to hospital in Canterbury for treatment of more serious injuries.

Betty Verge, 64, whose house

in Campbell Road borders the

barracks, said she was having breakfast when there was a flash and "the most dreadful bang".

"I thought a plane must have

crashed. I looked out of the window and there was smoke everywhere."

A pensioner, Joan Betteridge, who lives in Canada Road, was shaking as she told how the blast brought down part of her kitchen ceiling as she prepared breakfast. "There was a terrific crash which reminded me of the Blitz," she said. "After that the ceiling started to fall down around me."

I got straight out into my

garden and immediately I saw

a huge cloud of black smoke

rising from the direction of the barracks."

Another witness, Dinah Bell, 68, told how she watched from her kitchen window as the roof of the recreation centre was lifted into the air by the force of the blast, leaving "absolute devastation". Mr Michael O'Grady, landlord of the marines' pub, the Green Beret, ran outside after the explosion and looked for the rest room area. But "there was nothing left, it was just a pile of rubble." Army bases throughout Britain and Europe were put on red alert.

Fourteen of the injured were

taken to the 45-bed cottage hospital in Deal, all but one suffering from cuts, bruises and shock. Four were taken to hospital in Canterbury for treatment of more serious injuries.

Police, firemen and Marines

helping to rescue survivors

nearby were badly damaged and heavy lifting gear was brought in to clear the debris. Thermal imaging cameras and heat-detecting equipment were used to locate trapped victims of the blast. Ten heavy cranes from the nearby channel tunnel were brought in to help lift the wreckage.

Kent and Canterbury Hospital

management said: "The emergency procedure went extremely smoothly. We had rehearsed it frequently and were able to respond readily. We had extra blood and extra medical supplies as well as additional staff."

Medical staff from the Blond

McIndoe Burns Centre at the Queen Victoria Burns Hospital in East Grinstead, the regional unit for the Deal area, visited victims at the Dover and Canterbury hospitals.

Doctors appealed to Kent

people through local radio stations to donate blood at special centres in Deal and Maidstone today, as blood and plasma kept in store for bomb victims was in short supply.

Fourteen of the injured were

taken to the 45-bed cottage hospital in Deal, all but one suffering from cuts, bruises and shock. Four were taken to hospital in Canterbury for treatment of more serious injuries.

Police, firemen and Marines

UK NEWS

Electricity price rises will 'harm environment work'

By Richard Evans

HIGH ELECTRICITY price rises for industry after privatisation could hinder its efforts to improve the environment, Mr John Banham, director general of the Confederation of British Industry, warned yesterday.

His forecast came at the launch of the CBI's action plan for a cleaner environment, following the organisation's decision to take a high profile in promoting more consistent high standards and a better understanding in industry of environmental issues.

Mr Banham argued that after the proposed privatisation of the electricity industry next year, it would be politically easier to sharply raise prices to high-volume users rather than to domestic consumers.

Businesses might face price rises of 40 or 50 per cent, which could threaten improved environmental measures they had embarked upon.

"A big increase would make it very difficult for industry to improve environmental measures, yet it is the intensive users which could improve efficiency and increase energy savings the most by more investment," he said.

Domestic electricity prices in the UK were among the lowest in Western Europe and industrial prices among the highest,



John Banham: businesses may face 50 per cent rises but he feared this gap might widen even further after privatisation.

The main purpose of the CBI plan is to set out an agreed and practical agenda for action by British business to improve the environment.

It aims to set objectives,

such as strengthening lines of accountability within companies for environmental management, agreeing longer-term environmental priorities for business against which progress should be measured.

He believes the CBI has sought to ensure sensible and practical environmental controls. "This role must be enhanced. We must now help business set the agenda and help business come to grips with the plethora of complex issues which collectively make up the environmental debate."

Coal chief warns of pit closures

By Maurice Samuelson

THE GOVERNMENT would be unable to privatise British Coal without long-term contracts between the pits and the privatised electricity industry, one of the corporation's directors said yesterday.

A fall in British Coal deliveries to power stations would also force the closure of some of the most efficient pits in Europe, containing sizable reserves, said Mr Malcolm Edwards, British Coal's commercial director.

His speech to the Coalfield Communities Campaign at Newark, Nottinghamshire, reflected the corporation's mounting anxieties over its £3.5bn a year business with the electricity industry, which buys 77 per cent of British Coal's output.

"Beyond December 31, 100

days from today, there are no contracts for the continued supply of our coal, just an empty space," he said.

Calling for a portfolio of contracts ranging from five to 15 years, he said that without such contracts "it will be virtually impossible to privatise the British coal industry as the Government has declared it wishes to do if it is returned to power."

Long-term contracts would also make it easier to sell the 12 distribution companies which, because of delays in launching the private electricity market, were likely to be sold without any operational track record.

Mr Edwards also warned the future generating companies that their plans to increase coal imports next year were

causing a hardening in world coal prices. Instead of reducing their coal bill, he said, increased imports could raise it by between £25m and £35m a year.

If more coal were imported,

British Coal would reduce the volume of its cheaper deliveries to power stations by the same amount, Mr Edwards added.

A leading electricity official later termed Mr Edwards' threat "irrelevant" because it was based on a joint understanding between the two industries which will finish at the end of the year.

From January 1, 1990, the generating companies would feel free not merely to import more coal but to increase their consumption of heavy fuel oil instead of coal.

A FOREIGN tourist wandering into the great Tom quad of Christ Church, Oxford on Wednesday evening would have stumbled upon an impressive sight.

There were assembled the massed ranks of headmasters from Britain's leading 230 public schools. The sight spoke volumes about the state of Britain's educational system.

The first thing a tourist might have noticed about this body of upright, dinner-jacketed men was the air of quiet satisfaction as they queued patiently for a reception hosted by Christ Church.

The 1980s have been kind to the independent sector: the share of pupils educated privately in Britain has increased from 5.8 to 7.1 per cent, as more middle class parents have fled the state system.

But on closer inspection, our tourist would have detected a frisson of concern running through the conversation of this august gathering. The heads are uncertain about the answer to the question which dominated this week's annual meeting of the Headmasters' Conference: how will the independent sector adapt to the Government's education reforms?

In particular, the public schools are worried about how

Consumer expenditure remains buoyant

By Patrick Harverson, Economics Staff

CONSUMER spending remained buoyant in the second quarter of this year according to Government figures released yesterday, although a fall in fixed investment and stockbuilding meant that overall UK economic activity ground to a halt in April to June period.

The Central Statistical Office said its average measure of Gross Domestic Product showed no increase between the second and first quarters of the year but was 2 per cent higher than in the April to June period of 1988.

It warned, however, that estimates of output were still being distorted by the cut in oil production which followed last year's accidents in North Sea oilfields. If the oil sector is excluded from the figures, GDP would have grown in the second quarter by 0.25 per cent, and would have been 4 per cent higher than in the same period last year.

The CSO said that consumer expenditure was up 1.5 per cent on the previous quarter to a level 5.5 per cent higher than a year earlier. City analysts said the strength in consumer expenditure suggested that the Government was unlikely to lower interest rates before the next Budget.

The Treasury does not believe that the consumer expenditure figures should be taken in isolation. It said the recent retail sales figures, the CBI/Financial Times distribution trades survey, and the housing market indicators showed consumer demand continuing to slow down sharply.

In the second quarter, total fixed investment fell by 0.5 per cent, but within that the recent decline in manufacturing investment was halted.

Manufacturing investment rose by 1.5 per cent on the first three months of this year. However, the CSO believes growth in manufacturing investment may not be maintained in the next quarter.

Mr Kevin Gardner, economist at Warburg Securities, said: "Today's numbers show that the decline in economic activity is not so precipitous as to make the Chancellor change his mind about interest rates."

Mr Holston said the way forward lay in partnerships between large European companies - such as Havas Hachette, Bertelsmann, Carlton Communications and Pearson (which publishes the Financial Times) - and US media empires such as NBC, CBS, and the film studios.

Mr Holston said such strong,

publicly controlled groups were necessary for creative risk-taking. But they would also be better for the quality of democracy than "the aggregation of monopolistic interests in this industry by a few individual entrepreneurs."

Earlier Mr Marc Oliver, a BBC planning executive, out-

US money to 'flood' into media in 1990s

By Raymond Snoddy

A LEADING US broadcaster forecast yesterday that the media industries of Europe, and Britain in particular, would be flooded by American money in the 1990s.

Mr J B Holston, vice president of NBC International, told the Royal Television Society's Cambridge convention that he was "unashamedly optimistic" about investment opportunities in European broadcasting.

Once the "rules of the game" for British broadcasting were clear - a reference to the Broadcasting Bill expected to be published in November - financial investors would "lock to this sector, as they have to the US media business for the last 20 years."

Mr Holston said the way forward lay in partnerships between large European companies - such as Havas Hachette, Bertelsmann, Carlton Communications and Pearson (which publishes the Financial Times) - and US media empires such as NBC, CBS, and the film studios.

Mr Holston said such strong,

publicly controlled groups were necessary for creative risk-taking. But they would also be better for the quality of democracy than "the aggregation of monopolistic interests in this industry by a few individual entrepreneurs."

Earlier Mr Marc Oliver, a BBC planning executive, out-

lined a financial model of the British broadcasting industry to the year 2000 specially created for the convention. It showed TV revenue rising by the turn of the century by 20 per cent in real terms from its 1988 figure of £1.5bn - even though its share of the audience would fall from 42 per cent to 29 per cent.

Pay channel subscription income would be 220m by the year 2000 and the BBC share of the audience would have dropped from 49 to 37 per cent.

Mr Stephen White, managing director of Carat International/WCRS, the largest buyer of media space and air time in Europe, forecast a rapid growth in TV sponsorship.

British Satellite Broad-

casting should launch some or all of its channels on Astral

the satellite that broadcast Mr

Rupert Murdoch's Sky television - as well as on its own

satellites, Mr James Lee of the Boston consulting group, told the society.

He argued that by following such a strategy BSB - whose investors include Pearson - could win the satellite television battle.

"Late entry to the market would become a strength rather than a weakness, since BSB could capture revenue from a million dishes without the cost of developing that market," said Mr Lee.

SNP targets Labour as its main opponent

By James Baxton, Scottish Correspondent



Gordon Wilson: "We live in an era of nationalism"

THE SCOTTISH National Party yesterday singled out Labour as the principal force preventing Scotland becoming independent and targeted the party as its main opponent at the next general election.

Mr Gordon Wilson, the SNP's leader, told the party annual conference in Dumfries on the Firth of Clyde, that it would campaign at the next election on independence in the European Community.

He said this year's events, with the election of Poland's Solidarity prime minister, had boosted independence's cause.

"We live in an era of nationalism, of countries moving towards democratic self-government. Scotland must be in the vanguard," he said.

Mr Wilson's rallying call came during a relatively low-key conference for the SNP. Last year its conference launched an offensive which included the Gowen by-election, the campaign for non-payment of the poll tax, and the European elections.

A dramatic success over Labour at Gowen last November pushed the SNP to about 30 per cent in opinion polls. But while the SNP vote rose sharply, the party did not defeat Labour at the Glasgow Central by-election in June and failed to win any new seats in Europe.

"We have little effect on the ebb and flow of English politics. Let us rather concentrate upon what we do best - putting Scotland first and championing the cause of Scottish independence."

Independence would "at a stroke destroy Scotland's psychological urge to grasp England's skirts. Of all Scotland's problems this deep-seated inferiority complex is the worst." Independence should be in a Europe that was "decentralist and confederal."

Mr Wilson removed uncertainty about his own future by pledging to take the SNP into the next general election.

He lost his Dundee East seat to Labour in 1987 and had not indicated whether he would stand again.

Gould warning to Labour over safety first approach

By Ivor Owen, Parliamentary Correspondent

LABOUR's electoral prospects could be damaged if it adopts a safety first approach aimed at preserving its "current lead" in the opinion polls, Mr Bryan Gould, the shadow Trade and Industry Secretary, warned last night.

"We must offer more than a sanitised version of old policies if we want to be seen as truly facing the future," he said.

Mr Gould's speech will be seen as a defiant return to Mr Neil Kinnock, the Labour leader, who earlier in the week repudiated his recent suggestion that shareholders in the privatised utilities might not be paid dividends under a future Labour Government.

Mr Gould, who is anxious to retain his seat on Labour's national executive when voting takes place at its annual conference next month, maintained that the purpose of the party's policy review must be to provide "a keener cutting edge to our radicalism."

Labour now had the chance

EDUCATIONAL

Language courses 89-90

FRENCH • GERMAN • SPANISH • ITALIAN
SMALL GROUP • INDIVIDUAL TUITION
INTENSIVE OR EXTENDED PROGRAMMES

O/I/S/E GISE-LONDON 11 Harwood Road SW6 4EP Tel 01 371 0211
GISE-BRISTOL Lower Park Row Bristol Tel (0225) 237657



BENENDEN SCHOOL

SCHOLARSHIPS FOR SEPTEMBER 1990 ENTRY

UP TO 100% FEES ACADEMIC

for entry to the Sixth Form examination

October 30th 1989 entry by

March 14th 1990 entry by September 1st 1990 entry by December 1st 1990

Also Music and Sixth Form Art Scholarships.

Full details and application forms

The Admissions Register, Benenden School, Benenden, Kent TN17 4AA

PERSONAL

ADMISSIONS are now open. For details

PT, Executive Press, London NW1 2HG

Telephone 01 580 2222

Fax 01 580 2223

E-mail: executive@executive.co.uk

Telex 832 222 2222

Internet: www.executive.co.uk

World Wide Web: www.executive.co.uk

Or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

or e-mail: executive@executive.co.uk

or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

or visit our website: www.executive.co.uk

or call 01 580 2222

or fax 01 580 2223

THE GREENS AT WOLVERHAMPTON

Porritt urges streamlining of party leadership system

CUMBERSOME conference procedures and the system of leadership by speakers and co-chairs need to be streamlined if the Green Party is to sell its message to voters, the party's Wolverhampton assembly was warned yesterday.

Jonathan Porritt, director of the Friends of the Earth, said the public needed to identify with articulate spokespeople if the Green Party was to get its policies understood.

Although he stopped short of calling for a single leader, Mr. Porritt's comments struck at what many members believe is

Conference reports:
Ralph Atkins
and John Hunt



Jonathan Porritt calling for procedures to be simplified

the heart of the Green Party's alternative approach.

He said procedures needed "simplifying and concentrating." Currently the party aim is to involve as many members as possible either in workshops or floor debates which are often long and bureaucratic, and cause much business to be lost through lack of time.

Some clues about support within the party for change will come from elections for four seats on the 24-member Green Party Council today.

The Council elects the three co-chairs of the party and appoints six speakers to pre-

sent policies to the public. Changes in its composition may affect the likelihood of substantial reform.

Two of the three current co-chairs will stand down when the new council meets in October. Of the speakers, the two most prominent, Mr. David Icke and Miss Sara Parkin, are likely to remain. Miss Jean Lambert is undecided and Mr. David Spaven yesterday said he would stand down.

Green Party members are anxious to avoid charges of factionalism but the elections could highlight divisions between "realists" favouring a

Call for audit into most efficient sources of power

A SCHEME to carry out local energy audits so that householders and industrialists can switch to the most efficient and environmentally clean sources of power is likely to be set up by the Green Party.

The intention is that party members should carry out audits in their own homes so that they can adopt energy conservation measures and reduce the amount of power they consume — cutting their bills in the process.

Local branches of the party would also carry out audits and the Green Party's commitment to abolish the use of nuclear power was reaffirmed.

During the debate electricity privatisation was attacked and the Green Party's commitment to abolish the use of nuclear power was reaffirmed.

• An emergency motion deplored the bombing of the Royal Marines music school was approved by conference.

MARKET STATISTICS

ECONOMIC DIARY

TODAY: Mrs Margaret Thatcher, the Prime Minister, meets Mr Mikhail Gorbachev, President of the USSR, in Moscow on her return from Tokyo. Organisation of Petroleum Exporting Countries talks begin in Geneva. International Monetary Fund/World Bank annual conference opens in Washington (until September 30). **TOMORROW:** SDP annual conference opens, Scarborough (until September 28). Royal Television Society annual conference, Cambridge. Green Party conference of Colombia, Venezuela, Ecuador, Peru and Bolivia meet in Quito to discuss the monitoring group idea. Mr Timex, Mr Eric Sander, Minister, and Mr Michael Checkland, BBC director general, launch three-year campaign to improve basic reading, writing and numeracy. **THURSDAY:** July figures for energy trends from the Department of Energy. Department of Transport publishes figures for vehicle registration in August. Department of Employment produces annual publication New Earnings Survey 1989, Part A (Parts B to F to be published at fortnightly intervals). One-day conference on single European market, Manchester. **FRIDAY:** Bank of England publishes August figures for London sterling statistics of foreign bill turnover statistics; sterling commercial paper; monetary statistics (including bank and building society balance sheets). Ambulance men's national ballot result on industrial action. Age Concern conference on payment for long-term care stay.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. 89		Feb. 90		May 90		Stock
	Vol	Last	Vol	Last	Vol	Last	
S&P 500	5360	451	13,90	—	—	—	3,355,50
S&P 500	5370	101	—	—	—	4	22,50
S&P 500	5380	37	3,20	19	10,50	—	3,355,50
Oct. 89							
EDE Index C	F1.215	67	8.00	—	—	—	F1.220.00
EDE Index C	F1.215	50	3.40	—	—	—	F1.220.00
EDE Index C	F1.230	15	1.80	—	—	—	F1.230.00
EDE Index C	F1.230	—	—	—	—	—	F1.230.00
EDE Index P	F1.303	—	—	—	—	—	F1.306.00
EDE Index P	F1.305	45	0.80	—	—	—	F1.306.00
EDE Index P	F1.320	15	0.50	—	—	—	F1.320.00
EDE Index P	F1.320	151	4.50	—	—	—	F1.320.00
EDE Index P	F1.325	275	7.00	—	—	—	F1.325.00
Nov. 89							
S&P 500	F1.205	68	9.50	b	20	—	F1.219.00
S&P 500	F1.210	68	9.50	b	20	—	F1.219.00
S&P 500	F1.220	24	2.50	—	30	—	F1.219.00
S&P 500	F1.225	34	2.50	—	14	—	F1.219.00
S&P 500	F1.225	135	1.30	55	1.90	22	F1.219.00
S&P 500	F1.225	205	1.60	—	12	—	F1.219.00
S&P 500	F1.230	151	4.50	—	16	—	F1.220.00
S&P 500	F1.235	275	7.00	—	15	—	F1.220.00
Dec. 89							
S&P 500	F1.205	68	9.50	b	20	—	F1.219.00
S&P 500	F1.210	68	9.50	b	20	—	F1.219.00
S&P 500	F1.220	24	2.50	—	30	—	F1.219.00
S&P 500	F1.225	34	2.50	—	14	—	F1.219.00
S&P 500	F1.225	135	1.30	55	1.90	22	F1.219.00
S&P 500	F1.225	205	1.60	—	12	—	F1.219.00
S&P 500	F1.230	151	4.50	—	16	—	F1.220.00
S&P 500	F1.235	275	7.00	—	15	—	F1.220.00
Jan. 90							
EDE Index C	F1.215	67	8.00	—	—	—	F1.220.00
EDE Index C	F1.215	50	3.40	—	—	—	F1.220.00
EDE Index C	F1.230	15	1.80	—	—	—	F1.230.00
EDE Index C	F1.230	—	—	—	—	—	F1.230.00
EDE Index P	F1.303	—	—	—	—	—	F1.306.00
EDE Index P	F1.305	45	0.80	—	—	—	F1.306.00
EDE Index P	F1.320	15	0.50	—	—	—	F1.320.00
EDE Index P	F1.320	151	4.50	—	—	—	F1.320.00
EDE Index P	F1.325	275	7.00	—	—	—	F1.325.00
Apr. 90							
EDE Index C	F1.215	67	8.00	—	—	—	F1.220.00
EDE Index C	F1.215	50	3.40	—	—	—	F1.220.00
EDE Index C	F1.230	15	1.80	—	—	—	F1.230.00
EDE Index C	F1.230	—	—	—	—	—	F1.230.00
EDE Index P	F1.303	—	—	—	—	—	F1.306.00
EDE Index P	F1.305	45	0.80	—	—	—	F1.306.00
EDE Index P	F1.320	15	0.50	—	—	—	F1.320.00
EDE Index P	F1.320	151	4.50	—	—	—	F1.320.00
EDE Index P	F1.325	275	7.00	—	—	—	F1.325.00

BANK RETURN

BANKING DEPARTMENT		Wednesday September 20, 1989		Increase or decrease for week	
LIABILITIES		£	£		
Capital Deposits	14,583,000			+ 1,591,401	
Public Deposits	7,100,000			+ 1,200,000	
Bank Deposits	1,491,420,517			+ 38,241,981	
Reserve and other Accounts	2,323,734,493			+ 35,336,024	
	3,901,198,062			- 45,414,926	
ASSETS					
Government Securities	1,932,768,842			- 208,285,000	
Advance and other Accounts	907,881,693			+ 45,000,000	
Drawings Equipment & other Secs	1,285,200,210			+ 188,151,929	
Notes	10,978,123			+ 6,085,941	
Cash	203,995			- 25,221	
	3,801,198,062			- 45,414,926	
ISSUE DEPARTMENT					
LIABILITIES					
Notes in circulation	15,009,020,877			+ 16,886,941	
Notes in Banking Department	10,978,123			+ 6,086,941	
	15,020,000,000			- 10,000,000	
ASSETS					
Government Debt	11,015,100			- 474,357,140	
Other Government Securities	14,539,452,361			+ 464,957,140	
Other Securities	476,532,530			- 10,000,000	
	15,020,000,000			- 10,000,000	

Are you interested in:

- STARTING your own business?
- EXPANDING an existing business?
- INVESTING in a master licence?

Then you cannot afford to miss the

AUTUMN NATIONAL FRANCHISE EXHIBITION

NATIONAL EXHIBITION CENTRE, BIRMINGHAM, 29 SEPT-1 OCT

You will meet:

OVER 100 FRANCHISES who can

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 01-873 3000 Telex: 922188 Fax: 01-407 5700

Saturday September 23 1989

The risk of complacency

THE ANNUAL meetings of the IMF and World Bank two years ago were the high point for dreams of a more formal system of international economic co-operation, built round target zones for exchange rates. Those meetings were followed by a low point in practical international co-operation — the squabble between Mr James Baker, the US Treasury Secretary and Dr Karl Otto Pöhl, president of the Bundesbank. When the stock market crashed and the dollar fell, it looked as though co-operation and the world economy were in equally parlous shape.

This is true no longer. The most important feature of the past two years has been sustained economic growth. In September 1987 the IMF forecast the growth of the gross national product of the industrial countries in 1988 at 2½ per cent, but it ended up at over 4 per cent. Last year it forecast growth of 2·8 per cent for 1989. This forecast also looks like turning out to be too low (though not by as much as the forecasts for 1988), while economic growth is now expected to be close to 3 per cent next year as well.

Pivotal role

But other things have also turned out well. Inflation became a concern in the course of 1988, as growth far exceeded expectations. The US tightened first. The lead of Mr Alan Greenspan, chairman of the Federal Reserve was followed with some alacrity by the Bundesbank and with greater reluctance by the Japanese. The pivotal role of the Bundesbank in the European Monetary System then ensured that its higher rates of interest were spread throughout Europe.

Informal exchange rate coordination played an important role in this process, with the strengthening dollar an indicator of the need for dearer money elsewhere. In effect, the US attempt to stabilise domestic inflation spread disinflation worldwide. Unfortunately, the US appears willing to accept inflation at the rather high rate of 4 per cent-5 per cent, which has consequently tended to become the rate of inflation in the industrial countries as a whole. But at least inflation seems unlikely to go far above that level.

In addition, the trade deficit of the US continues to decline. While there is no comparable development in the case of West Germany, there has been a reduction in the Japanese trade and current account surpluses in recent months, though this was, admittedly, after increases in late 1988 and early 1989. For those who find the external "imbalances" a

great worry these developments should be consoling, especially because both the US current account deficit and the Japanese surplus are declining as shares of GNP.

Stable picture

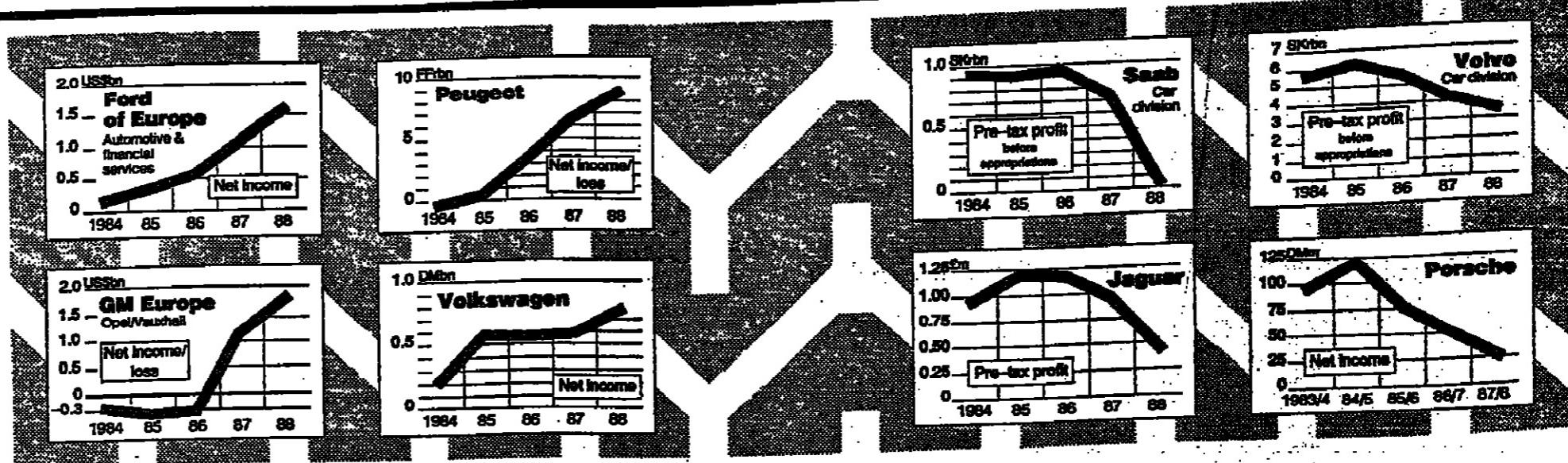
Finally, even exchange rate stabilisation has not been the failure one would sometimes suspect from the headlines. The dollar declined in 1987 and has tended to rise since then. The Bank of England's nominal effective exchange rate for the dollar at the time of the Louvre Accord of February 1987 was about 73, while it is back to 72 today. Over the same period the effective exchange rate for the yen has appreciated by 5 per cent, while that of the D-Mark has depreciated by 6 per cent. Neither movement is large, though that of the D-Mark appears perverse (and mainly reflects its position within the European Monetary System). The overall picture is one of considerable stability.

The policy-makers of the main industrial countries have some reason to be complacent. It would be better to have an explicit system of exchange rate management, but the underlying economic and — far more important — political conditions for this do not exist. The major central banks must remain alert to the risks of inflation. They must also pay attention to what exchange rates movements are telling them about monetary policy. If they do so, macroeconomic conditions should not go too far astray.

Good performance in the core of the world economy does not mean that the policy-makers of the major industrial countries can now go to sleep. Still less should they focus their attention on the pecking order among the industrial countries within the IMF. They should, instead, pay rather closer attention to what is going on in the periphery. The World Bank and IMF have become transmission belts for advice and limited funds from the economists at the centre to those at the periphery. Judged by results in this decade, they are not doing a satisfactory job.

The inability to find a satisfactory mechanism for dealing with the consequences for developing country indebtedness of the policy mistakes of the 1970s has been the chief failure of the 1980s. A major challenge for those meeting in Washington is to prevent the same failure poisoning the 1990s. It is partly by this criterion that the respective roles and resources of the World Bank and IMF must now be balanced.

Already, in the last five years, most of the small and medium European producers have been taken over by the volume car makers. In the UK Ford has acquired control of Aston Martin, with a 75 per cent stake, and Lotus has fallen to General Motors. In Italy Chrysler has snapped up Lamborghini and Ferrari is now firmly part of the Fiat stable (a 90 per cent



Kevin Done and Nick Garnett on the problems of small car companies

Being special is not enough

holding).

A lack of volume and inability to compete with the companies like BMW took the loss-making Alfa-Romeo into the clutches of Fiat. In the UK, Rover's inability to stand alone has been illustrated not only by its acquisition by British Aerospace, but also, more strikingly, by the decision to sell a 20 per cent stake in the Rover vehicle operations to Honda of Japan.

Why have the specialist car makers' hopes of finding survival in new more flexible production techniques apparently been dashed?

These techniques have certainly helped niche car makers. But they have helped the volume producers even more, stacking the deck even further in their favour. For these reasons:

- Flexibility helps the big more than the small. Mr Lindsey Halstead, chairman of Ford of Europe and the man who is leading Ford's attempt to gain ultimate control of Jaguar, says that automated, flexible production techniques "allow for more flexibility in producing a wide variety of models, so they are more valuable to a large car maker."

"Even these techniques will not make a 100,000 cars-a-year producer as efficient as a 1m units a year manufacturer." The more variations of basic body design on a single model, or variations on a basic engine block a producer can send through a flexible line, the more potential benefits that car maker gets. Vehicle builders with one or two models with perhaps only two engine variations cannot achieve the same benefits.

- Flexibility is not yet complete. Systems are generally not sophisticated enough to cope with complete changes to model or engine design. A lot of equipment, certainly costing tens and perhaps hundreds of millions of pounds might still have to be changed as a result.

• The speed of model changes has accelerated. "However you look at manufacturing you still have a big front end cost," says Mr Colin Davis, marketing manager at John Brown Automation. "A new product needs a concept and it needs design development. All this has to be written off

during the life of the product. The write-down is obviously easier for big volume producers.

Another machine supplier says: "That's a problem for Jaguar. BMW has achieved sizeable volume in its quality niche, Jaguar does not have that."

- Car companies have realised that they have to develop a complete concept for automating a plant. If you do not have such a blueprint, a car maker will end up inefficiently producing in one area, then running into a bottleneck at another, creating high buffer stocks of components.

Equipment makers say that the larger producers understood this much earlier than the smaller companies and, in most cases, had the

'Even the new techniques will not make a 100,000 cars-a-year producer as efficient as one making 1m units a year'

required engineering skills, or the money to buy those skills.

"Most small volume volume makers are improving in this field now," says one equipment supplier. "I give Jaguar credit for developing this coherent approach but a few years ago they were just looking at islands of automation. It looked at where its heaviest costs were and said, okay, let's automate that. That is not the best way of going about it."

Jaguar has certainly been investing heavily. Last year it opened a £25m engineering centre and this year has completed the spending of £40m in new automatic body assembly facilities.

It has had to catch up on the emissions of the past. Sir John Egan, Jaguar chairman and chief executive, maintains that in 1984 the average age of Jaguar's machine tools was 25 years. In an audit it found a lathe still working dating from 1955 with a refurbishment slip from 1920. The next big project must be the renewal of small firms.

Demag is more cyclical than Rixroth but is another world leader and currently — like steel tubes themselves — is booming. In another deal with Krupp it took over the latter's steel plant construction unit and in the past few months has been thankful for the extra capacity.

Further moves into car parts, electronics, and information processing, are less unqualified successes. Hartmann & Braun in production control systems has performed well since it was bought in 1981, but Kienzle, the data processing group bought in the same year, is suffering from price competition and lack of size. Fichtel & Sachs, the car parts group bought in 1987, may eventually prove its worth but was expensive.

Foreign critics say that Mannesmann's earnings remain too cyclical and despite the current profit boom, too low. Typically for a German company Mannesmann has a pre-tax profit margin (excluding interest) of less than three per cent. Also typically it has only slightly internationalised production — about one-fifth of production is abroad compared with 50 per cent of sales. Mr Dieter has been promising to use the near DM800 cash pile for some big deals in the US.

None the less his success in nurturing "companies within the company" and his concern (perhaps stemming from his background in hydraulics) to ensure efficient information flows among managers within and between companies has created an efficient German machine, feared by competitors and respected by customers across a growing number of industries and countries. Today, Mr Dieter has allowed himself a day off with his old friends at Rixroth.

still accounts for around 40 per cent of Jaguar's turnover, despite the company's success in diversifying its markets with a sales push in the Far East, especially Japan and in continental Europe.

At the same time a new challenge is emerging in the world luxury car market in the shape of the Japanese. Both Toyota and Nissan are launching new luxury car ranges with their Lexus and Infiniti ranges. The presence of the Japanese in this sector for the first time — with all their expertise in volume car production — threatens the need for much reduced model development and model life cycles. The era when one model could soldier on with few changes for ten to 20 years belongs to history.

Even Mercedes-Benz, which is currently suffering sliding sales in both the US and in West Germany, has been forced to accept that it must shorten its product life cycles.

Its new generation SL launched earlier this year is its first all-new sports car in 18 years — but "from now on we shall be bringing out a new vehicle every year," says Mr Jürgen Hubbert, director of the Mercedes-Benz car division. "This will mean a product life cycle of the order of seven to nine years."

In contrast to almost all its rivals, BMW has been able to continue increasing its production volumes — this year to more than 500,000 — and has compensated for sales weakness in the US with gains in West Europe. Unlike Mercedes-Benz it is on the crest of its model cycle, and has been boosted by the success of two powerful new-generation model ranges launched in the last three years. It has built a strong image as a maker of sporty, exclusive cars, and the glamour rubs off on its ageing series of smaller cars, the 3-series, which provides the lion's share of BMW's volume.

As the competitive pressures grow, a specialist car maker needs steadfast shareholders and deep pockets to stay in the race. Daimler-Benz is backed by its major shareholder Deutsche Bank. West Germany's biggest bank, BMW is in the hands of the Quandt family, while Porsche has the majority backing of the Porsche and Blech families. Renault has the French state, Peugeot still has the Peugeot family, and Fiat has the Agnelli. Volvo has built a series of interlocking shareholdings for protection, while Ford still has the large minority voting stake of the Ford family.

By comparison, Jaguar — with nothing more as protection than the Government golden share, which expires in 15 months' time — looks vulnerable. The Jaguar board said barely yesterday that it was determined "to continue to pursue plans that would preserve" its independence, but the odds against such a future look overwhelming.

Additional research by John Griffiths.

MAN IN THE NEWS

Werner Dieter

An austere helmsman of a clean German machine

By David Goodhart



TI are still unusual in Germany. Another example of Mr Dieter's decisiveness is the company's struggle to detach itself further from steel tubes.

Despite embarking on its diversification in 1988 the proportion of steel and steel tube in the company's sales had only fallen from 46 per cent to 34 per cent by 1988.

That was because in 1970 Mannesmann swapped most of its flat steel business for Thyssen's tube business. Mannesmann also kept some flat steel capacity to supply its own tubes business but as part of the Thyssen deal it could not sell it on the open market.

As the company gradually rationalised tubes it found it had far too much flat steel capacity which, in bad years, compounded losses on the tubes. Soon after Mr Dieter took over he decided to hasten the tube rationalisation and fired 6,500 workers. About half

of the DM1bn losses that the company's struggle to detach itself further from steel tubes.

Mr Dieter is not proud of sacking workers but when people accuse the company, or German industry as a whole, of being too cautious and over-loaded with social obligations he likes to point to the fact that Mannesmann employed 50,000 steel tube workers in 1970 and now employs 22,000.

The strategy of rapid growth through acquisition and internal investment — to dilute the effect of the highly cyclical tubes business — has increased the company's sales more than five-fold since 1988 when sales stood at DM4.4bn.

But arguably the two most successful buys were the first two — Rixroth and the plant building/materials handling group Demag. Mr Dieter helped turn Rixroth into a hydraulics firm before it was acquired by Mannesmann in 1988 with sales of DM50m (today DM2.5bn). Mannesmann's financial support helped

develop new products such as the revolutionary turbo-drive — with which Mr Dieter was intimately involved — and helped to internationalise the company. The Mannesmann-Rixroth relationship has remained a model for subsequent Mannesmann takeovers of small firms.

Demag is more cyclical than Rixroth but is another world leader and currently — like steel tubes themselves — is booming. In another deal with Krupp it took over the latter's steel plant construction unit and in the past few months has been thankful for the extra capacity.

Further moves into car parts, electronics, and information processing, are less unqualified successes. Hartmann & Braun in production control systems has performed well since it was bought in 1981, but Kienzle, the data processing group bought in the same year, is suffering from price competition and lack of size. Fichtel & Sachs, the car parts group bought in 1987, may eventually prove its worth but was expensive.

Foreign critics say that Mannesmann's earnings remain too cyclical and despite the current profit boom, too low. Typically for a German company Mannesmann has a pre-tax profit margin (excluding interest) of less than three per cent. Also typically it has only slightly internationalised production — about one-fifth of production is abroad compared with 50 per cent of sales. Mr Dieter has been promising to use the near DM800 cash pile for some big deals in the US.

None the less his success in nurturing "companies within the company" and his concern (perhaps stemming from his background in hydraulics) to ensure efficient information flows among managers within and between companies has created an efficient German machine, feared by competitors and respected by customers across a growing number of industries and countries. Today, Mr Dieter has allowed himself a day off with his old friends at Rixroth.

Private Client, or just an account number?

At Greenwell Montagu Stockbrokers, private clients are the backbone of our business. We place real importance on the strength of our personal relationships. Links with some of our clients and their families go back several generations.

Just as times have changed for them, they have changed for us too. In today's markets we are determined to achieve every advantage that technology can bring, in the dealing room and in our portfolio management—but we are equally determined to be old-fashioned when it comes to client relationships. Knowing you as a private individual will help us to follow your best interests when we invest your money.

If you have over £100,000 for investment, please call Tim Wakeley or Robert Ottley on 01-588 8817 for an informal discussion—or send the form for further information about our services.

—Our branches in Lympstone and Hereford also offer full stockbroking services.

To the Client Services Director:
Greenwell Montagu Stockbrokers, London Office.

Name.....

Address.....

GREENWELL MONTAGU

STOCKBROKERS

114 Old Broad Street, London EC2P 2HY

Lympstone Office: 98 High Street, Lympstone, Hants SO41 9AP. Telephone: 0390 674288. Hereford Office: 35 Bridge Street, Hereford HR4 9DG. A Member of The Securities Association and The International Stock Exchange. Telephone: 0432 266646.

UK COMPANY NEWS

Lilley fails to win Tilbury with 48.84%

By Nikki Tait

TILBURY, the construction group, yesterday emerged from the long-running battle with fellow contractor Lilley with its independence intact. By yesterday lunchtime, the last closing date, Lilley could only claim control of 48.84 per cent of its target.

Valid acceptances were received in respect of 7,93m shares, including 2,76m shares (13.89 per cent) held by its advisers, Salomon Brothers. The remainder was accounted for by the 2m shares held by Lilley directly.

Yesterday's narrow escape was greeted with considerable jubilation within the Tilbury camp. Mr Michael Botter, managing director, said that he was very pleased with the outcome and delighted that the company "could now pursue its own growth strategy".

Mr Bob Rankin, Lilley's chief executive, said that the company was disappointed not to have gone unconditional but very pleased with the level of support it had received.

The Tilbury camp said that it was still weighing up its options. Mr Rankin is expected to write to his own shareholders at some stage next week.

Tilbury's escape was aided by a series of share purchases by Schroder Wagstaff, its merchant bank advisers, both yesterday and on Thursday. These were made on the bank's own account, and did not involve any indemnity arrangements with Tilbury.

Schroders bought 60,000 shares, which had previously been assented to the Tilbury offer, at 650p ex-dividend on Thursday, some of which are being sold at cost to Tilbury's brokers, UBS Phillips and Drew.

They added a further 6,450 shares at 650p early yesterday, and then another 34,000, partly at 660p cum-dividend, and partly at 650p ex-dividend. Tilbury's advisers finished with a 0.45 per cent stake.

BAT delay

The hearing of BAT Industries' appeal against the Takeover Panel's decision to give its predator, Hoyley, an unprecedented extension to the timetable, has been put back to Wednesday next week. The appeal hearing was previously expected to take place on Monday.

Bank issues writ over Eagle loans

By Richard Tomkins and Philip Coggan

STANDARD CHARTERED Bank has issued a writ claiming the £5.83m it says it is owed by Mr John Ferriday, former chairman and chief executive, and Mr Richard Smith, former managing director, of Eagle Trust.

Eagle is the UK mini-banking concern currently being investigated by the Serious Fraud Office.

Standard Chartered is also one of the three creditor banks of Eagle which this week called for the resignation of the current chairman and chief executive, Mr Malcolm Stockdale. Mr Stockdale was understood to be

considering his position yesterday.

The writ from Standard Chartered, which was issued on September 4, claims that a loan agreement to borrow £50m was made between the bank and the two defendants on January 11 1989. The amount which could be borrowed was subsequently altered orally to £5m.

On January 12 a sum of £5m was duly drawn down, on which interest was payable at 1.75 per cent above base rates before June 19 and 3 per cent above base thereafter. Subsequently, the writ says that Mr

Ferriday and Mr Smith opened a separate interest account and borrowed a sum of £5.83m (£274,000) which took them over the capital account limit.

According to the writ, the bank sent letters on April 3 and June 14 demanding repayment. The sums outstanding, including interest, now total £5.83m. The writ book at the high court shows that Mr Richard Smith intends to contest the action and that his solicitors were Radcliffe & Co. Neither Mr Smith nor Radcliffe were available for comment.

Meanwhile, a group of dissi-

dent shareholders, led by Mr David Pine, a Manchester solicitor, welcomed the banks' intervention in asking Mr Stockdale to resign.

Coopers & Lybrand, the accountancy firm advising the consortium of Eagle's creditor banks, yesterday confirmed that it had suggested an alternative chairman and chief executive for Eagle. It said, however, that it was in delicate negotiations with the banks and a number of other people over the issue and was unlikely to give further details before the early part of next week.

Meanwhile, a group of dissi-

Charles Barker restructures interests

By Nikki Tait

CHARLES BARKER, the agency group, is selling its public relations businesses and disposing of Ayer Barker, its principal consumer advertising agency, to will leave Barker concentrating on its recruitment, advertising and executive search interests, plus the regional communications busi-

nesses, worth approximately £1.1m.

The group, which intends changing its name to EBN Resources, will have total cash resources of about £12m to be

available for expansion.

At the same time, Barker announced profits of £2.07m before tax in the six months to

end June, compared with £2.15m earnings per share were 5.2p (5.1p). The shares were 6p to 11p yesterday.

Barker's 75 per cent interest in Ayer Barker, is being transferred to NW Ayer, the US advertising group which already holds the other 25 per

cent, by way of a demerger. At the same time, Barker will acquire NW Ayer's 12.5 per cent interest in Charles Barker's own equity for £1. These shares will be cancelled.

As part of the deal, the existing agreement between Barker and NW Ayer will be aborted. This allowed Ayer to buy its 25 per cent stake in Ayer Barker for £3m and to raise this to 56 per cent in 1990 for a profit-related figure. Minimum total cost of the 56 per cent interest was set at £5m.

Since then, Ayer has indicated that, because of Ayer Barker's recent trading performance, it did not want to increase its stake on those terms and, according to Barker, might have sought compensation for the subscription already made.

"Neither party wanted to litigate," claimed Mr David Norman, Barker's chairman, "and here we have the solution."

In 1988, the PR businesses made operating profits of £1.22m on operating income of £2.7m, while Ayer Barker contributed £260,000. The group total was £5.7m (£4.8m) and the interim dividend is 1.5p (1.2p).

Liberty bounces back with 55% increase

By Maggie Urry

LIBERTY, the retailer and wholesaler of upmarket goods, saw profits bounce back in the six months to July 23, with the pre-tax figure up 55 per cent to £2.1m. However, this is still below the £2.2m made in the first half of 1987-88.

Sales rose by 14 per cent to £36.2m. The shares were unchanged at 470p.

The company said that the rate of progress would not be maintained for the full year. Even so the interim dividend is increased by 35 per cent to 1.4p, partly to redress the balance between the two payments.

Earnings per share were up 60 per cent to 7.22p.

Within the figures, though, the retail business suffered an increased loss, of £435,000 at the trading profit level. Mr John Pugh, finance director, said retailing

traditionally incurred losses in the first half. Retail turnover rose by 4 per cent to £22.1m, though the rise was held back by the sale of the Dutch operation a year ago.

Converting and wholesaling trading profits rose 60 per cent to £2.1m on sales 34 per cent higher at £10.5m. Mr Pugh said that the order book was strong, except for furnishing fabrics which had been affected by the dull housing market. Dress fabrics, scarves and presents were all selling well, he said.

The new Japanese operation had made a contribution to profits.

The printing operation - a French silk printer - increased sales by 38 per cent to £3.4m and trading profits by 94 per cent to £220,000.

Mr Pugh said that retail sales were ahead of budget so far in the second half.

Traditionally incurred losses in the first half. Retail turnover rose by 4 per cent to £22.1m, though the rise was held back by the sale of the Dutch operation a year ago.

Converting and wholesaling trading profits rose 60 per cent to £2.1m on sales 34 per cent higher at £10.5m. Mr Pugh said that the order book was strong, except for furnishing fabrics which had been affected by the dull housing market. Dress fabrics, scarves and presents were all selling well, he said.

The new Japanese operation had made a contribution to profits.

The printing operation - a French silk printer - increased sales by 38 per cent to £3.4m and trading profits by 94 per cent to £220,000.

Mr Pugh said that retail sales were ahead of budget so far in the second half.

Harry Weilin, chairman of Liberty, which almost achieved the profit levels of two years ago.

Jaguar grows at Ford's 'unwelcome' play

By Kevin Done, Motor Industry Correspondent

JAGUAR yesterday formally rebuffed this week's surprise approach by Ford of the US, which is seeking to buy an initial stake of up to 15 per cent in the UK luxury car maker.

Meeting for the first time since Ford made its announcement earlier this week, the Jaguar board said the initiative was "unwelcome".

It would "continue to pursue plans that would preserve Jaguar's independence", which it said it believed "was in the best long-term interests of everyone associated with the company".

No talks were planned with Ford.

SOUTHAMPTON sale helps Highland Parts to £6m

By John Riddick

STRONG improvements from both its land and maritime divisions prompted a sharp increase in profits at Highland Participants, the property and ship repair company run by Mr Peter de Savary, from £1.95m to £6.23m for the six months to June 30.

A large factor in the increase was the sale of a half share in the Southampton airport site to London & Edinburgh Trust which yielded a gross profit of about £4m.

In the maritime division, there were benefits from the acquisition and rationalisation of the Tyneside ship repair yard last October.

According to the company, the dock strike had little impact on its port and trans-

port activities. Heavier throughput in unaffiliated ports largely compensated for reductions in national dock labour scheme ports.

However, the results include an exceptional charge of £24,000, part of which related to redundancy payments to the remaining registered dockers at Falmouth. The balance represented reorganisation costs at the port.

This could be an obstacle to eventual majority ownership by Ford.

In the last 18 months it has had talks with several of the world's leading car makers

including Ford, but the negotiations with Ford failed to make progress in the face of the US company's insistence on majority control.

It is believed that Jaguar is keen to pursue co-operation with Ford's move and in the expectation of a bid battle in the run-up to the end-1990 expiry of the UK Government's so-called "Golden Share", which limits individual shareholdings in Jaguar to 15 per cent.

The shares rose yesterday by 33p to close at 581p, a new high for the year.

This values the company at £1.65bn.

Nicolson joins team planning DRG takeover

By Clay Harris

SIR DAVID NICOLSON, former chairman of BTR and of British Airways, has joined the team planning a hostile takeover offer for DRG, the paper and packaging group.

Mr Roland Franklin's Bermuda-based Pembroke Investments, which owns 24.4 per cent of DRG, is expected to launch its bid next week.

Sir David, who turned 67 on Wednesday, brings a lengthy industrial pedigree to Mr Franklin's side. He is a director of GKN, Britannia Arrow Holdings, STC and Canada's Northern Telecom.

He joins Mr Ted Field, a wealthy US investor who is also backing Hoylake's bid for BAT Industries, in the Pan-

British car maker is looking for access to more extensive technical resources and for co-operation in components.

Its share price has jumped dramatically in the wake of Ford's move and in the expectation of a bid battle in the run-up to the end-1990 expiry of the UK Government's so-called "Golden Share", which limits individual shareholdings in Jaguar to 15 per cent.

The shares rose yesterday by 33p to close at 581p, a new high for the year.

This values the company at £1.65bn.

Great Southern Grp Pre-tax profits at Great Southern Group fell to £1.85m (£1.71m) in the six months to June 30. The company's prepaid funeral scheme contributed £187,000 (£126,000) to operating profits. The figures were incorrectly reported in yesterday's edition.

Postal delays mar Queens Moat rights

By Clay Harris

QUEENS MOAT HOUSES yesterday asked National Westminster Bank to reconsider the way it handles future rights issues after 80 shareholders had their cheques returned for having arrived after the deadline for the hotel group's recent £14m cash call.

Mr Martin Marcus, Queens Moat's deputy chairman and joint managing director, said yesterday that the total of returned cheques was much higher than had been experienced in previous rights issues.

In a letter posted yesterday by NatWest's new issues department, Queens Moat expressed its "extreme concern" and asked for the bank's

"explanations or opinions as to why this problem has occurred to such an extent".

The initial indication is that postal delays were responsible in most cases.

Queens Moat said: "We are satisfied that, in most instances, cheques had been despatched to allow more than a reasonable amount of time for postal delivery."

In future, however, "this in all fairness, cannot be accepted as a reasonable excuse", Queens Moat said.

It suggested to NatWest that shareholders should be allowed to lodge their rights applications at any of the bank's branches.

Filofax plunges into the red and moves to shake off yuppie image

By Christopher Parkes, Consumer Industries Editor

D

OWNWARD

sales

among

upwardly mobile Britons have driven Filofax into heavy interim losses, and forced the personal organiser company to fund its first-ever advertising campaign.

Reporting a pre-tax loss of £554,000, compared with profits last time of £571,000, on sales down almost 20 per cent at £4.45m, Mr David Collisichon, chairman, said the company would spend £500,000 on promotion this autumn in a bid to shake off its close association with the "yuppie".

"The yuppie image has done us a lot of harm," Mr Collisichon claimed. It was particularly offensive to traditional customers among the clergy, army officers and business men.

Britain's young, upwardly mobile professionals, the people to whom Filofax owes much of its success so far, have been squeezed particularly hard by high interest.

At the same time the cult accessory market niche formerly occupied by the over-weight personal organiser, has been invaded by the equally burdensome portable telephone.

In the first six months of 1988, the PR businesses made £442,000 (£1.04m) at the operating level and Ayer Barker £27,000 (£22,000). Human resources turned in £1.86m (£1.54m) and regional communications, £260,000 (£258,000). Group turnover was £5.7m (£4.8m) and the interim dividend is 1.5p (1.2p).

The time had now gone

when "anything with the Filofax name on it simply walked off the display stand", Mr Collisichon said. Accordingly, press advertisements will be used for the first time to attract a new clientele, specifically from the ranks of busy, upper-working class housewives.

Overseas sales were the

same as last year, he added.

These included a 25 per cent advance in the US, where the company also aims to make progress in the middle-market range where initiatives are reaping rich rewards with products selling for 95p.

Sales in Japan were a little

up on last year, "but I don't

think they will be at the end of the year", Mr Collisichon said.

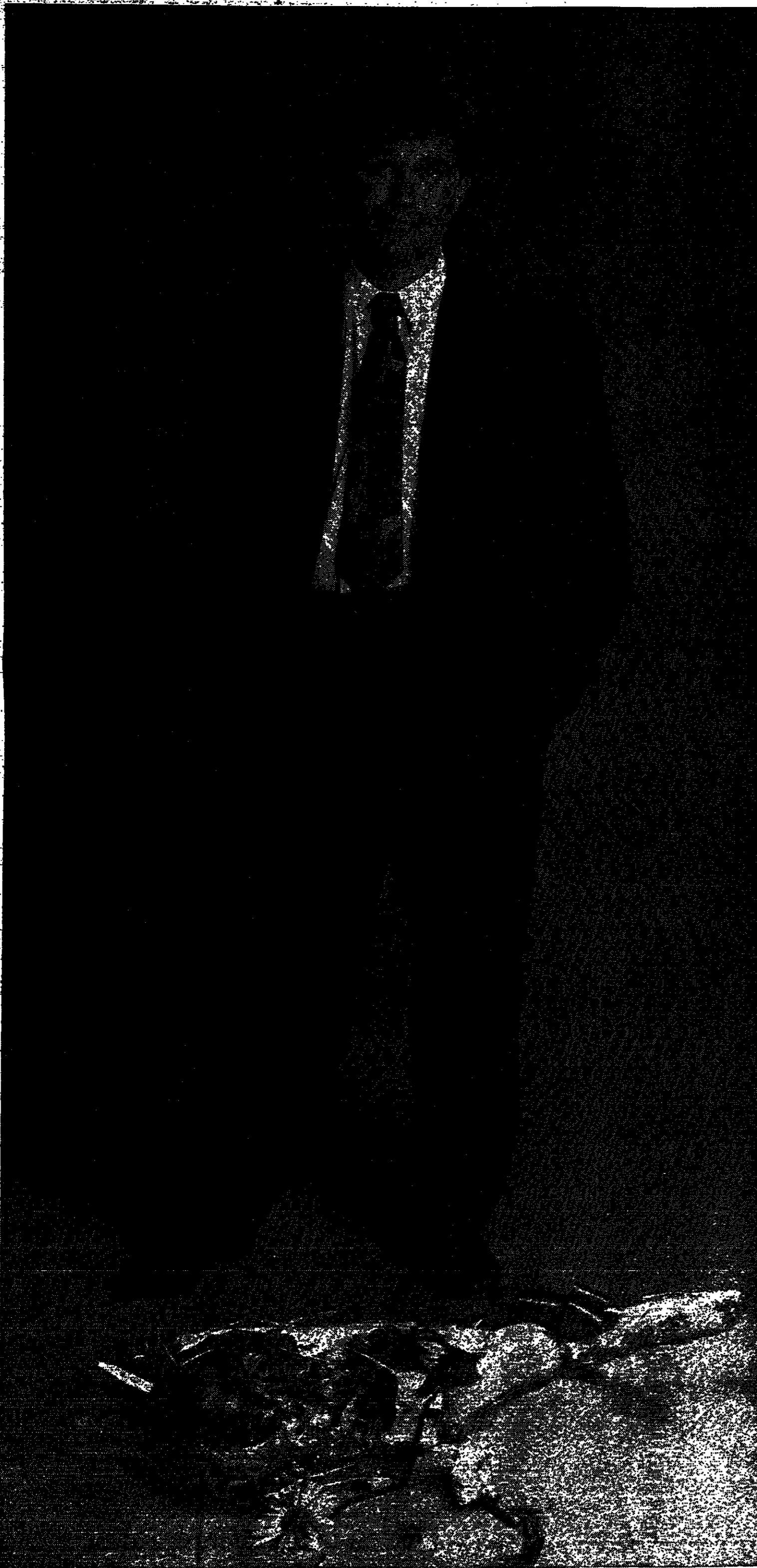
Japan's

competitors

could match Filofax quality and sell at two-thirds of the price.

Declan McConnochie

Our Senior Trader on the Secondary Markets Desk.



Shane Longman is an investment bank with a capital base of around £500 million. Our reputation, and the security of our investments, rely on characters like Declan McConnochie.

Of course, Declan runs a very competitive Secondary Markets operation. But he's also a bit of a romantic who's more interested in persuading his colleague Michelle to come home and "play FT-SE" with him.

Despite these little ups and downs with Michelle (or lack of them), Declan has one quality which is quite rare in a merchant banker. He's a nice guy.

**He fancies all the women he meets.
All the women he meets fancy him.**

Except one.

And finding a nice guy in a merchant bank is as rare as finding a proud owner of a satellite dish.

So why not watch *ITV on Tuesday night, at 9 o'clock*, to see Thames Television's new drama serial, "*Capital City*"?

It's the story of a powerful merchant bank, and some of the rather strange people who work there. Declan's just one of them. And he looks quite normal compared to the rest of them...



Shane Longman

A merchant bank worth watching.

INTERNATIONAL COMPANIES AND FINANCE

P&G branches out into cosmetics

By Roderick Oram in New York

PROCTER & GAMBLE, the giant US consumer products group, is branching out into cosmetics, with the agreed \$1.3bn takeover of Noxell announced yesterday.

The deal will also extend Proctor & Gamble's extensive skin care line through famous Noxell products such as Noxzema, one of the oldest and most popular products in a highly competitive market for the treatment of blemished skin.

Shareholders of Maryland-based Noxell will receive 0.727

of a Procter & Gamble's share for each common or B share.

Procter & Gamble's stock slipped \$24 to \$129.4 yesterday, valuing each Noxell B share at \$32.57. The shares jumped 10% to \$31.4 on the over-the-counter market.

Noxell's 32.8m B shares are non-voting, while 66 per cent of its 7.6m voting common shares are held by people close to the company. They have given Procter & Gamble irrevocable proxies for their voting shares, making completion of the take-over highly likely.

Mr George Bunting, Noxell's chairman, the company had looked for a partner when it "became clear that a significant investment would be required in such areas as research and development and international expansion."

Mr John Smale, Procter & Gamble's chairman, said the acquisition will accelerate the growth of Procter & Gamble's health and beauty care businesses. "Noxell provides us with opportunities for growth in several segments of cosmetics and toiletries in which we

do not currently do business."

Noxema, the brand on which Noxell was founded 75 years ago, is well established in North America and Europe.

The company's Cover Girl cosmetics brand has a wide range of products in several key segments and recently regaining market share at the expense of Maybelline and Revlon.

Noxell earned net profits of \$51m, or \$1.26 a share, in 1988 on sales of \$211m. Procter & Gamble awarded it with sales of \$214m.

US bank adds \$2bn to reserves

By Anatole Kaletsky in New York

J P MORGAN, the fourth largest and most respected commercial bank in the US, has announced a huge strengthening of its reserves by adding \$2bn to its provisions for possible Third World loan losses. Yesterday the bank's shares rose by 31% to \$41.75.

The move — which follows smaller but significant reserve additions by Manufacturers Hanover and Chase Manhattan this week — will potentially allow Morgan to write off 100 per cent of its medium-term and long-term exposure to the Third World.

The action signals a collapse in the united front presented by US bankers in their approach to the Third World debt crisis. Up to now they have been reluctant to consider making large-scale debt write-offs.

Morgan's announcement, made after the stock market closed on Thursday, opens the possibility that debt reduction schemes far more ambitious than the agreement reached with Mexico this summer will dominate the annual meeting of the International Monetary Fund and World Bank in Washington next week.

The \$2bn provisions will boost Morgan's total reserves against Third World lending to about \$2.5bn. After allowing for loan sales negotiated in the current quarter, the increased reserves would cover 70 per cent of Morgan's total exposure to Third World countries which had restructured their debts.

The provision would force the bank to declare a \$1.8bn loss in the third quarter and would reduce its ratio of equity to total assets from 6.1 per cent to 4.5 per cent. Because of the previous strength of Morgan's capital position the new Third World provisions would not necessitate the issue of any additional capital.

Hongkong Land surges 43%

By Michael Murray in Hong Kong

HONGKONG LAND, the Jardine Matheson group subsidiary which is the biggest landlord in Hong Kong's Central financial district, has reported strong earnings growth for the first half of 1989, with net profits up by 43 per cent to HK\$576m (US\$63m).

The results reflect the buoyant conditions in the local property market during the first half, with a shortage of space in Central continuing to push up rentals as leases, typically reviewed every three years, came up for review.

Mr Simon Keswick, chairman of Hongkong Land Holdings, said the medium-term impact of recent events in China remains difficult to assess, but with the group's portfolio virtually fully leased, and with supply still limited, the prospects for positive rental reversions both this year and next remain encouraging.

Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The HK\$5.17bn payout formed part of a restructuring under which Hongkong Land shareholders swapped their existing shares for those in a newly created offshore holding company in Bermuda, Hongkong Land Holdings. The move substantially reduced the debt of Jardine Strategic Holdings, which owns 33 per cent of Hongkong Land, while its own borrowings increased.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full-year results to show a satisfactory increase, the rate of earnings growth in the second half will be lower, none the

less, because of the interest costs relating to the HK\$2.4 share special dividend paid to shareholders in May.

The operating company subsequently took advantage of Bermuda regulations allowing companies to buy their own shares, acquiring 63.6% in Hongkong Land Holdings, or around 2.8 per cent of its equity. A dividend of 16 cents per share has been declared, compared with 13 cents at the halfway stage last year.

However, Mr Keswick added that although he anticipated full

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous ahead of G7

INVESTORS ADOPTED a cautious attitude yesterday ahead of today's meeting in Washington of the Group of Seven nations. Traders are still smarting from the sharp decline in the dollar seen last Friday, and there is little incentive to risk exposure to a repeat performance.

Early attempts to push the dollar lower were met with resistance, and the US unit recovered but remained within a narrow trading range. West German and Japanese officials have made clear their concern about the dollar's recent strength, and the weight of opinion in the market suggests that any outcome from the G7 talks is more likely to favour a weaker dollar than anything else.

The dollar closed at DM1.9495 from DM1.9440 and Yen145.80 compared with Yen145.30. Elsewhere, it finished at SF1.6890 from SF1.6830 and FF16.5825 from FF16.5700. On

Bank of England figures, the dollar's exchange rate index was unchanged at 71.6.

Later trading in New York saw the dollar edge slightly firmer against the D-Mark, but business was still confined mostly to position squaring.

The extent of the rise was also limited by suggestions of discreet intervention by the US Federal Reserve, but there was no obvious evidence of impact on the dollar.

US personal income in August rose by 0.4 per cent compared with 0.7 per cent in July, and although the figure was still a little up from the 0.3 predicted by most analysts, it failed to have any initial impact on the dollar.

Sterling managed to hold above the DM8.07 level to finish at DM8.0756, unchanged from Thursday. Most traders had expected the pound to ease back into its recent DM8.05-0.08 range but the uncertainty surrounding the dollar attracted

investors towards sterling. This helped it to recover from a softer tone during the afternoon to finish with an unchanged exchange rate index of 91.6.

However, there was little to show for the late recovery, and the pound still finished slightly weaker against the yen at Yen123.50 from Yen123.55 and FF10.3850 from FF10.3875. It was unchanged against the Swiss franc at SF12.8600.

Against the dollar, it finished at \$1.5755 from \$1.5810.

The French franc showed little reaction to a decision by the Bank of France to leave its money market intervention rate unchanged. The franc had lost ground earlier in the week amid concern that West German rates may be increased, but the absence of any rise either in Frankfurt or Thursday's day of Paris yesterday left the D-Mark virtually unchanged at FF18.3810 from FF18.3810 on Friday.

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts 731

Estimated volume total, Calls 1044 Puts 885

Previous day's open int. Calls 1113 Puts

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talieman system, and in ascending order which denotes the day's highest and lowest dealings.

The Official List is issued recorded business in the four previous days given with the relevant date.

Rule 53(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

• Bargains at special prices. • Bargains done the previous day.

Corporation and County Stocks

No. of bargains included 12

London County Council Cons Lst 1929 (after) - £20

Greater London Council 6% Cons Lst 1982 -

Birmingham Corp 2½% Lst 1929 (after) -

£241 (20568)

West Midlands 1½% Lst 1929 (after) - £239

(20569)

3½% Lst 1948 (after) - £339

Sheffield City Council 1½% Red Lst 2012 - £1235

Nottingham City 1½% Lst 2008 - £105

Gloucester Corp 3½% Inst Lst 2342 -

(20569)

Hull Corp 3½% Inst Lst 3435 -

Leeds City Corp 3½% Lst 2008 - £120

Leeds Corp 3½% Cons Lst 1927 (after) -

£25 (20569)

Leeds Corp 3½% Lst 1919 (after) -

£229 (20569)

Leeds Corp 3½% Red Lst 1923 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1924 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1925 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1926 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1927 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1928 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1929 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1930 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1931 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1932 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1933 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1934 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1935 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1936 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1937 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1938 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1939 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1940 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1941 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1942 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1943 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1944 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1945 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1946 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1947 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1948 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1949 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1950 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1951 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1952 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1953 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1954 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1955 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1956 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1957 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1958 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1959 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1960 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1961 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1962 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1963 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1964 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1965 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1966 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1967 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1968 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1969 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1970 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1971 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1972 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1973 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1974 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1975 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1976 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1977 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1978 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1979 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1980 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1981 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1982 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1983 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1984 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1985 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1986 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1987 (after) -

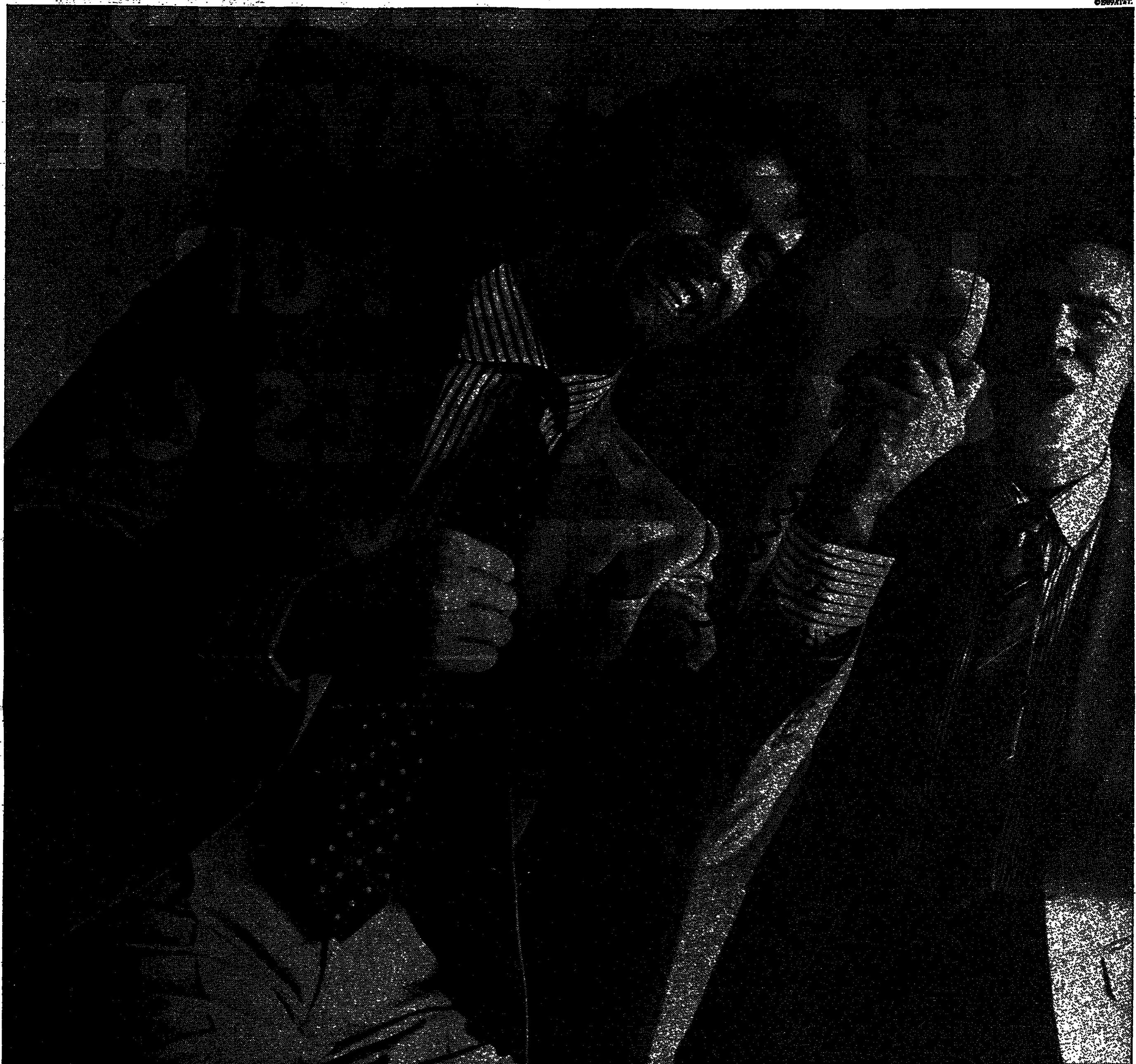
£239 (20569)

Leeds Corp 1½% Red Lst 1988 (after) -

£239 (20569)

Leeds Corp 1½% Red Lst 1989 (after) -

HE'S NOT IN THE STATES.



BUT HE
DOES BUSINESS
THERE
EVERY DAY.

"Jack? It's Nigel. I hear you've got the go-ahead to launch the issue."

"Yes - if the terms are right."

"And are they?"

"Could be. If you can take the full 300 million right now."

"Our syndicate's ready and waiting."

"In that case let's go."

"We've got the deal?"

"You've got it."

"Fantastic. Shall we sign in Paris?"

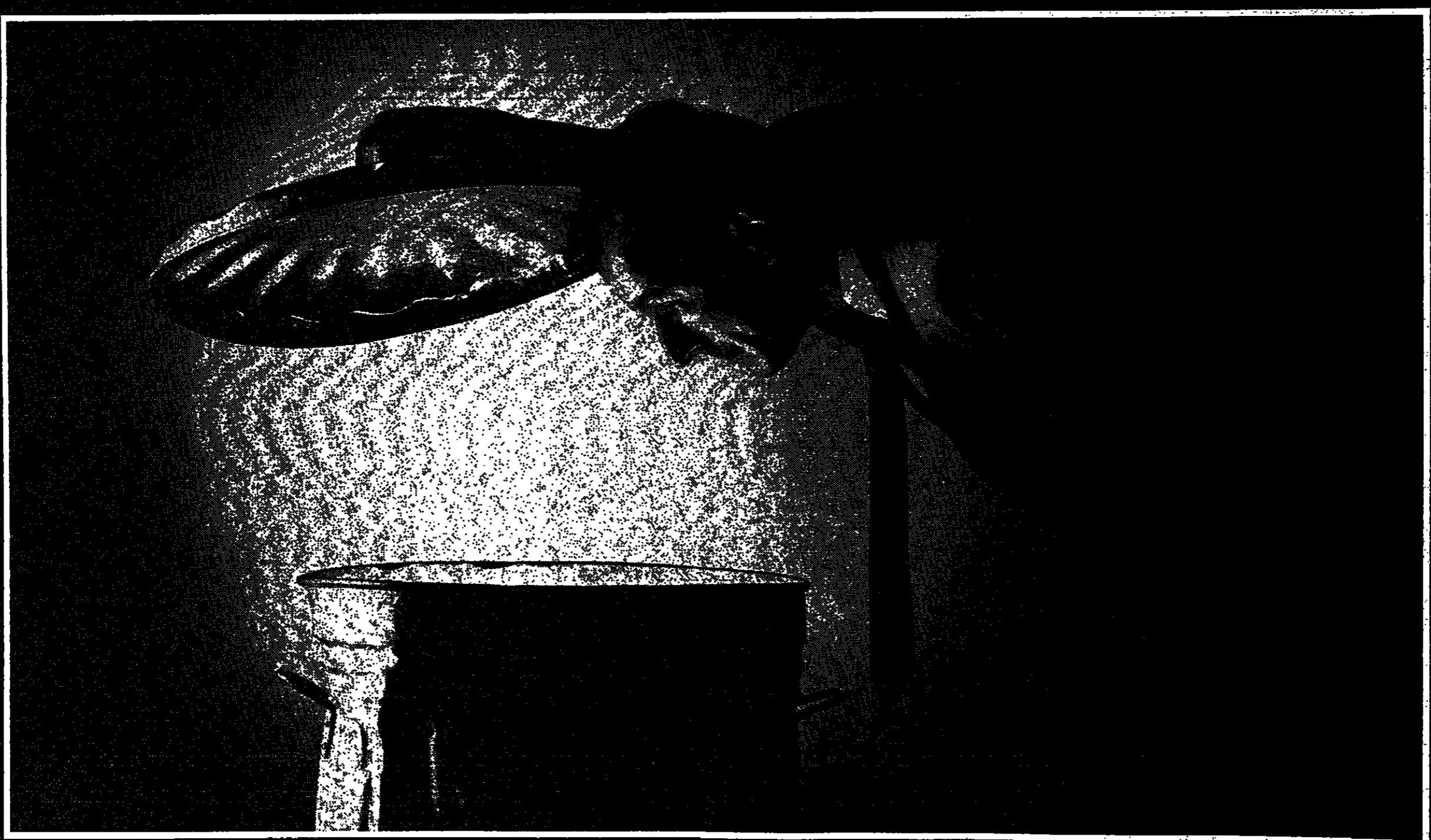
The rest of this conversation is strictly business.

With AT&T and your local telecommunications organisation the lines of communication to the States are open for everyone.

If you want your business to pick up, pick up your phone.



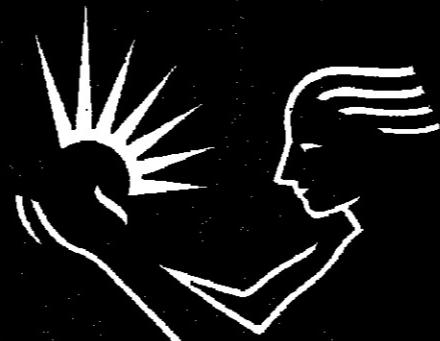
AT POWERGEN, WE'LL ALWAYS BE LOOKING FOR NEW SOURCES OF ENERGY.



The Central Electricity Generating Board is being replaced by competing generating businesses.

PowerGen will be one of them.

Our aim is to provide the most cost-efficient and reliable source of electricity in England and Wales.



We believe that one of the best ways to achieve this is through the efficient use of natural resources.

That's why we'll always be examining the potential of interesting new sources of energy.

Wherever they arise.

LONDON STOCK EXCHANGE

Profit-taking in dull equity sector

ANOTHER cautious trading session left the London stock market to drift easier ahead of this weekend's meeting of the Group of Seven Ministers. Equity markets will watch the meeting for hints of the outcome for the US dollar, while on the domestic front the stock market awaits the announcement on Tuesday of the UK trade figures for August.

Share prices were turning easier from the opening yesterday with traders taking profits as the first week of the trading account came to its close. Takeover speculation cooled in the absence of any new developments in the market's favourite bid targets. A placing

Account	Opening	Closing	Dates
First Settlement	Sept 16	Oct 2	
Options Settlement	Sept 14	Sept 28	Oct 12
Last Settlement	Sept 16	Sept 29	Oct 13
Account Days	Sept 28	Oct 8	Oct 28

(Source: London Stock Exchange)

low. The final reading showed the FTSE Index at 2,370.2, a net fall of 10.7 on the day. The Footsie closed the week with a net gain of a mere 3.7 points, after moving erratically as the market displayed its nervousness over the near-term outlook both for the domestic economy and for blue chip share prices.

The latest report on business opinion from the Confederation of British Industry (CBI) at the beginning of the week indicated that UK manufacturing industry is feeling the squeeze imposed by high domestic interest rates.

Occasional attempts to rally were brushed off with New York unexciting in early trading. London closed at the day's

low. The final reading showed the FTSE Index at 2,370.2, a net fall of 10.7 on the day. The Footsie closed the week with a net gain of a mere 3.7 points, after moving erratically as the market displayed its nervousness over the near-term outlook both for the domestic economy and for blue chip share prices.

The latest report on business opinion from the Confederation of British Industry (CBI) at the beginning of the week indicated that UK manufacturing industry is feeling the squeeze imposed by high domestic interest rates.

Perhaps more unsettling for the stock market has been the threat of industrial action by the engineering industry trade unions in pursuit of a reduction in the working week to 35 hours, which is seen as a further sign of pressures on the domestic labour market.

Mr John Reynolds of Prudential-Bache said yesterday that concern over wage pressures has been a major factor in keeping the Footsie Index below the 2,400 mark, and that the present wages picture was "not encouraging". The balance of stock market opinion may have shifted over the past week and may now be tilting slightly in favour of a hard landing for the UK economy, he believes.

At Warburg Securities, the economics team judges that market sentiment is "fairly evenly balanced". The bulls are encouraged by better than expected interim results from industry; the bears believing that a recession or a pick-up in inflation may be on the cards, have mostly withdrawn from the equity market for the time being.

Trading volume was disappointingly low yesterday, as it has been all week. Seat volume of 452.9m shares was an improvement on Thursday's 416.5m but still well below the level regarded as the minimum for an equity sector profitable to the market practitioners.

At Warburg Securities, the economics team judges that market sentiment is "fairly evenly balanced". The bulls are encouraged by better than expected interim results from industry; the bears believing that a recession or a pick-up in inflation may be on the cards, have mostly withdrawn from the equity market for the time being.

Trading volume was disappointingly low yesterday, as it has been all week. Seat volume of 452.9m shares was an improvement on Thursday's 416.5m but still well below the level regarded as the minimum for an equity sector profitable to the market practitioners.

Setback for Boots

Boots, the retailing and pharmaceuticals group, returned to the limelight yesterday as the company's shares fell sharply in the wake of what was regarded as bad news for its drug Manopex for which the market and Boots had held out high hopes. The drug has been seen as a possible treatment for congestive heart failure.

The company dropped a bombshell on the market yesterday, saying that, following key clinical trials in the USA and UK, the comparative improvement in patients treated with Manopex "is not as great as expected," and that a future development programme "is being evaluated." A full evaluation could lead to a decision for cancellation of the programme.

Boots shares slumped to 283.4p at one point before steadyng ahead to close a net 28p off at 280p; turnover expanded rapidly and eventually settled at 21m shares.

There was widespread concern in the market as the news became available, not least because some of the City's big stockbroking houses had upgraded their profit forecasts for Boots in mid-week and more so because rumours of problems concerning Manopex had circulated in the market at the start of the week, but had apparently been denied by Boots.

There were, however, some comforting noises. Mr Bill Currie of the Hoare Govett retailing team said: "We thought Manopex was in for free money to wipe 26p off the share price looks well overdone; we rate the shares a buy."

Asda wanes

Asda, the food specialist retailer, slipped back as bid speculation waned in the absence of any justification for the latest flurry in the stock. Turnover, at 7.8m shares, was steady throughout the day, and shares closed down 2p at 185p. The stock had enjoyed a late rally on Thursday on the back of widespread talk that a predator in the wings. But yesterday analysts said the market had begun to weigh up the impact of Asda's likely purchase of G1 Gateway superstores at a cost of £765m. The company will not get the formal go-ahead to buy the Gateway stores until its EGM on Oct 13, but "Asda is likely to buy the stores and, therefore, it's less likely to be bid for,"

one analyst said.

Worries about some of Asda's lines of businesses and its reorganised distribution centres caused some worries. The concern focused on comments by chairman, Mr John Hardman, at the AGM on Wednesday. Hardman said that although its food business had performed well, non-food sales had been hit by high interest rates, while testing problems had developed in its new centralised distribution centres. "Asda are usually a very optimistic company. For them to mention these problems suggests they are suffering more than most other food retailers, due to their exposure to non-food retailing business," said Mr Frank Davidson, analyst at Kite & Aitken.

Norcross hit

The building materials and industrial group, Norcross, was hit by a series of profits downgrading instigated by Hoare Govett and quickly followed up by James Capel, the agency broker, and then by Warburg Securities. Hoare lowered its current year projection from 288p to 286p and that for next year from 294.5p to 293p.

The cuts came three days after Hoare visited Norcross to tell that all the company's divisions will be down this year with particular emphasis put on the ceramics unit where sales are said to be down some 30 per cent.

Norcross shares, which began the session at 307p, were heavily sold as the downgrading filtered into the market, and ran back to close a net 21p lower at 286p, despite some traders making a case for buying the stock on takeover possibilities; "the more they go down the bigger the likelihood that someone will have a tilt at them," said one.

Jaguar still busy

Jaguar shares continued to climb on the London market yesterday and at the peak of trading hit 610p, a high for the blue chips of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

Trading in the international blue chips was subdued ahead of this weekend's meeting of the G-7 ministers, at which the outlook for the US dollar is expected to have the agenda ICI, for example, lowered around the overnight quotation of 1250p, as a mere 355,000 shares were turned over.

The number of contracts exchanged in the options market was also lower than on each of the previous three days at 2.6m.

Trading in the shares came from both national and international sources, with speculation continuing about which other multi-national motor manufacturer would follow Ford in acquiring a stake.

Explaining yesterday's continued rise in Jaguar shares, an analyst said: "The market is simply trying to second guess what other car manufacturers are up to."

WORLD STOCK MARKETS

AMERICA

Dow meanders on lack of developments

Wall Street

WITH NO new information about the state of the economy in prospect and no dramatic corporate developments to react to, prices on Wall Street continued to meander without direction, writes *Amotz Kozlowski* in New York.

The Dow Jones Industrial Average at 1,380 pm was 2.08 points up, to 2,682.37, after spending the morning confined to a range of about five points either side of the previous night's close. Trading was light, with 6m shares changing hands by lunchtime and advancing issues outnumbered.

ASIA PACIFIC

Early advance reduced as caution takes over

Tokyo

CAUTION took over again yesterday and share prices closed only moderately higher in spite of a strong advance in early trading, writes *Michio Nakamoto* in Tokyo.

The Nikkei average was only 26.77 points higher at 34,771.75, up 1.1 per cent on the week, after an earlier rise of more than 100 points on index-linked buying and a high for the day of 34,865.23. The day's low was 34,732.51. Declines outnumbered advances by 464 to 463 while 169 issues closed unchanged.

Turnover was highest at 700m shares compared with the 685m traded on Thursday, but still short of the 1bn widely considered to be a healthy level. In London, the ISE/Nikkei 50 index rose 7.9 to 2,024.35.

Buying by newly launched investment funds helped the market to its strong start, but investors were mostly resigned to staying on the sidelines before the weekend and the meeting of representatives from the Group of Seven indus-

tries nations scheduled to begin today. Branch managers' meetings at leading brokers' made it difficult for investors and dealers alike to take an active part in trading.

Heavily capitalised stocks dropped on a wave of selling.

Nippon Steel, the most actively traded issue with 21.9m shares, lost Y15 to Y142. It was the fourth consecutive decline for Nippon Steel, which has been out of favour because of higher interest rates and a downward revision of outside forecasts for its profits to March 1990.

NKK, which followed in volume terms with 8.4m shares, fell Y14 to Y742. Mitsubishi Heavy Industries was also actively traded and declined Y20 to Y1,130.

Mergers and acquisition talk continued to offer some excitement. Nippon Chemical, which saw interest rise on Thursday on rumours that it would sell its site in Tokyo and on speculation, rose Y50 to Y1,510 in active trading.

Regional banks and the smaller non-life insurance companies were pursued on expectations of restructuring in the

EUROPE

Life flows back into leading bourses

THE WEEK ended in confident style in most European markets, with share prices rising in higher trading volumes, but the Scandinavian bourses remained firmly in the doldrums, writes *Our Markets Staff*.

FRANKFURT had a strong and busy session, with the banking sector taking the helm. The weak dollar boosted confidence and this was reinforced by the belief that the Group of Seven leading industrial nations would not have to take any radical economic action at their meeting this weekend.

Deutsche Bank gained DM20 to DM698, as analysts revised upwards their earnings estimates for the company. The bank also announced that it planned to issue shares and gain a listing on the Tokyo Stock Exchange during the autumn, although one analyst pointed out that this was not necessarily positive news for its share price in Frankfurt.

The analyst added that the optimistic statement by the Dresdner Bank chairman earlier this week on operating profits had inspired analysts to look at the whole sector again, and that several profits estimates had been raised as a result. Dresdner Bank announced DM11.30 to DM360.

The FAZ index added 4.44 to 679.37, an advance over the week of 1.7 per cent, and the DAX index gained 17.38 to 1,628.60. Turnover picked up

decreases by a narrow margin of about seven to six.

The bond market was equally uninspired, drawing no significant conclusions from the only statistics published yesterday, the personal income and expenditure figures for August. Personal income was up 0.4 per cent and consumption expenditures were 0.8 per cent higher. Both numbers were in line with Wall Street expectations.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the morning marginally up against the yen and the D-Mark, dealers were reluctant to open new

positions ahead of the Group of Seven meeting due to be held in Washington this weekend.

In early afternoon trading, the Treasury's benchmark long

bond was down at \$101, a price at which it yielded 8.19 per cent.

Bank shares saw the most significant action, as investors reacted to the huge Third World loan loss provisions announced by J.P. Morgan on Thursday after the market closed. Morgan jumped 1.1% to \$41 in heavy trading as shareholders and analysts expressed their satisfaction with the bank's bold action, which made it the first major US bank to provide against the

possibility of 100 per cent losses on its medium and long-term exposure in the Third World.

Citicorp advanced 3% to \$32% and BankAmerica rose 3% to \$34 as investors looked forward to their returning announcements. The stocks of Chase Manhattan and Manufacturers Hanover, two banks which had already announced their provisions, fell back.

The biggest mover among the blue chips was Procter & Gamble, which fell 3% to \$119.44 after announcing a \$1.8bn takeover of Novell Corp.

Novell, a skin care and cosmetics company, jumped 10% to

\$11.75 to \$13.85.

The currency markets also failed to provide a lead. Although the dollar was well bid and spent most of the

UNIT TRUST INFORMATION SERVICE

- Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2123

Other UK UNIT TRUSTS																	
Winton Trust Managers Ltd C120697																	
100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	
- 100% Fund																	

UNIT TRUST INFORMATION SERVICE

- Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128



FINANCIAL TIMES

Weekend September 23/September 24 1989

HAD ENOUGH?
FOR THE LATEST JOBS CALL APPOINTMENTS
0898 700233

Calls charged at 36p per min (peak) 76p per min (off peak)

Lebanese truce 'a chance for peace'

By Lara Marlowe in Beirut

SIX MONTHS of fierce artillery duels between Christian and Moslem forces in Beirut appeared to be at an end last night when General Michel Aoun, the Christian leader, accepted an Arab League peace plan for Lebanon. A formal ceasefire is due to take effect today.

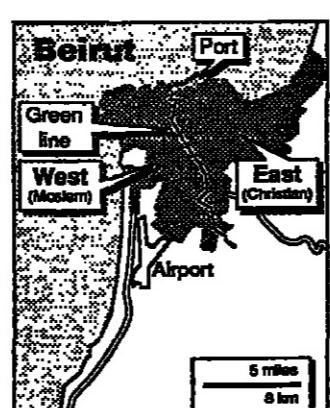
In a two-minute television appearance, a gloomy and exhausted Gen Aoun effectively announced the end of his "war of liberation" against Syrian forces in Lebanon, saying that he had accepted the Arab League proposals following appeals from Arab states and the international community.

"We declare to our people, all our people in the liberated areas as well as the occupied areas, that the 23rd of September is the beginning of the chance to achieve peace," the leader of the three-man military government in East Beirut said, sitting in his military uniform beside a Lebanese flag.

Gen Aoun's formal acceptance of the Arab League proposals came during an hour-long meeting with a senior Arab League envoy, Mr Lakhdar Ibrahim of Algeria. The seven-point plan, put forward by Saudi Arabia, Algeria and Morocco a week ago, calls for an immediate ceasefire, the establishment of a security committee and the lifting of blockades in and around the Lebanese capital.

Immediately after the announcement, gunmen in West Beirut fired their rifles in the air in celebration. Artillery bombardments that had continued throughout the week had died down by daybreak yesterday, and the Lebanese pound rose against the dollar.

In accepting the peace plan after six days of consultations with other Christian leaders, Gen Aoun has admitted his failure to dislodge the Syrian troops in Lebanon by military means. No territory has



ports will be lifted and Beirut's international airport will reopen, under the supervision of a security committee comprising representatives of the Lebanese army and various militias. One of its most important tasks will be to prevent new arms supplies from reaching the combatants.

However, there remain numerous potential obstacles to a lasting ceasefire, let alone a final settlement of the Lebanese conflict. The bitter animosity between the militias means it is difficult to imagine them working together to monitor arm shipments. Neither Gen Aoun nor the Syrians have given any indication of readiness to negotiate face to face.

The real test of the truce will be the convening of the Lebanese parliament on September 30 outside the country, as called for in the Arab League plan, to discuss political reforms and the election of a new president.

According to the plan, the Syrian blockade of Christian

Ferranti given three weeks to find solution

By Terry Dodsworth and Hugo Dixon

FERRANTI International Signal, the embattled defence electronics group, has been given three weeks by its banks to find an industrial solution to its problems before it has to seek a further extension of its credit facilities.

It emerged yesterday that the agreement reached this week on a £300m banking facility would have to be renegotiated on a more permanent basis towards the middle of next month. By then, Ferranti is hoping to have found buyers for up to £100m worth of assets, along with industrial partners willing to inject fresh equity capital.

Ferranti said yesterday that it was talking to a number of UK and overseas companies on a variety of proposals and that Sir Derek Alun-Jones, the company's executive chairman, would spend the whole weekend in negotiations.

The brief reprieve that Ferranti has won from its bankers has given a sense of urgency to these discussions. However, while speculation centred on Thomson of France as the most likely rescuer, other potential industrial partners indicated yesterday that they would not be rushed into a deal.

A series of statements from Ferranti has given the impres-

sion that the group will have little difficulty either in selling some of its assets or finding companies willing to take a stake in the business. But a large number of British, continental European and American defence groups said they were not interested.

One explanation is that the different parties are manoeuvring for position, with Ferranti trying to talk up the value of its businesses, and potential buyers aiming to ensure that they do not pay over the odds. An additional problem is that Ferranti's assets are difficult to value until Coopers & Lybrand, the accountants, has

completed an investigation into what the company believes is a £150m fraud.

Although Thomson's head office in France refused to comment on the situation, it is understood that its executives have discussions with Sir Derek over the past few days.

The two companies are expected to continue talks next week about Thomson taking a stake of up to 30 per cent in Ferranti. One idea is that Thomson could take more than 30 per cent if a UK partner, possibly British Aerospace, was brought in at the same time.

Accountancy mergers encounter problems

By David Waller

THE TREND towards mergers in the accountancy industry suffered a setback yesterday when two international firms, Horwath & Horwath and Spicer & Openheim, announced that they had abandoned merger talks.

At the same time, evidence came to light that merger talks between Arthur Andersen and Price Waterhouse which, if successful, would create the world's largest professional services firm - were running into difficulties.

This summer has seen a wave of merger proposals between the Big Eight international firms, but only one concrete merger - between Ernst & Whitney and Arthur Young - has come to form Ernst & Young. In

addition, PW and Andersen, Deloitte Haskins & Sells and Touche Ross are still talking in the UK several weeks after the US partners endorsed a link-up.

According to a senior partner at Arthur Andersen, negotiators are confronting intractable problems in bringing the two firms together and a merger is now "less than 50 per cent likely".

The link-up between the H&S - known as Stoy Hayward in the UK - and Spicer would have created the world's sixth largest firm with fee income of \$1bn. The Andersen/PW combination - first announced in July this year - will have fee income of more than \$5bn.

Problems in bringing the firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

Problems in bringing the

firms together were envisaged from the start - but the consensus in the industry was that no statement of intent would be made without a virtual certainty that they would succeed.

"No-one believed that the mountains between us and a merger were going to be that high," the Andersen partner said. "We started off in the foothills and now we're in the Greater Himalayas".

Both firms have identified intractable problems in areas such as the income attributable to partners and provision for pension liabilities. The latter point is deemed very significant, with Andersen partners worried at the prospect of footing the bill for pensions for retired PW partners in the US.

MARKETS

LONDON

Ferranti fears head a week of gloom

IT HAS BEEN the sort of week which a number of people might prefer to forget.

Not least of these potential amnesiacs, one suspects, would be Sir Derek Alun-Jones, still struggling to stabilise the situation at troubled defence electronics group, Ferranti International Signal, where he is chairman. Close on his heels might come Sir John Egan, chief executive of Jaguar, in which the Ford group disclosed plans to take a minority stake.

And, with regard to the first few days of the week at least, they might be joined by London's market traders, who saw business volumes fall to some of the worst levels this year. True, by Friday, the picture was looking somewhat brighter. Ferranti, at least, had a new credit package from its banks, and the London equity market had begun to show a little more life. But the path had scarcely been smooth.

By mid-week, however, matters had begun to brighten. Some significant programme changes helped to boost volume on Wednesday, and Thursday at least enjoyed a late burst of speculative activity. Overall,

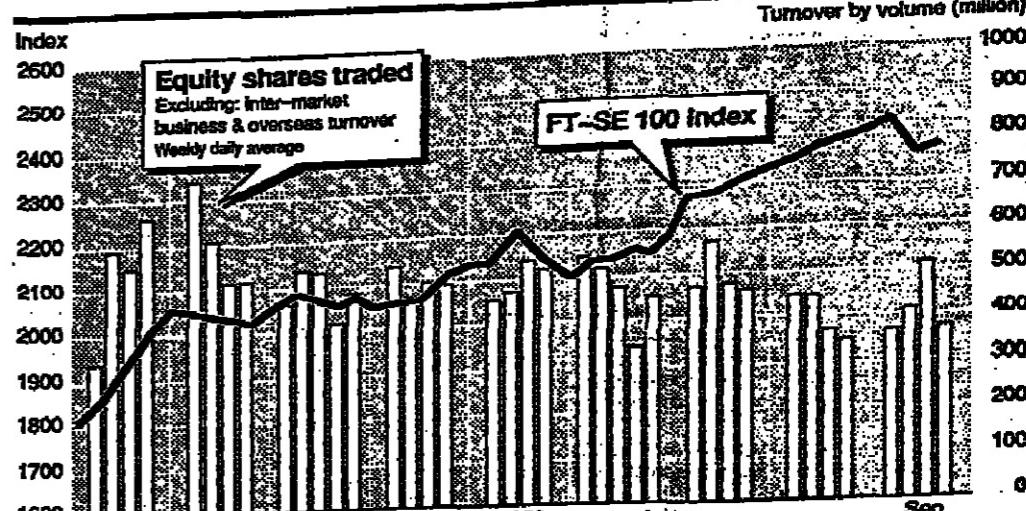
the market managed to move higher, albeit hesitantly, gaining 8.3 points on Wednesday and another 11.1 on Thursday.

Come Friday, however, progress was again uneven with the Footsie Index yo-yo-ing uneasily amid talk of a "sell" programme and consideration of what next week's trade figures may reveal about Britain's economic health.

But by lunchtime, Footsie had clawed back some of the losses to show a dip of just under six points at 2375.

Perhaps one reason for this unexciting picture was the relatively lean supply of economic news last week. The most significant data came mid-week and was far from conclusive. On the one hand, it produced evidence of a large increase in UK money supply during August, with fairly buoyant building society and bank lending trends. Worse,

there were further pointers



towards wage inflation, coupled with some deceleration in productivity growth. On the other hand, figures showing an underlying 4 per cent growth in manufacturing output in the year to July, compared with a figure of nearer 7 per cent at end-1988, could be read as an encouraging indication that the economy continues to live some of its fizz.

Two other significant considerations are also hanging over the market at present. The first is the extent to which the corporate sector might decide to start tapping institutional coffers again. Rights issue fears have hung around for some months, and to date there has been little evidence that a flood of new paper is set to hit the market. Nevertheless, substantiated or not, these technical fears persistently compound the uncertainty which exists for other reasons, and it is hard to see the situation changing in the short term.

The second point relates to analysts' assessments of the corporate sector's health. In general, the profits picture has been rather better than many observers feared, and there is talk of 12 to 13 per cent growth in industrial earnings this year, with only a slightly reduced figure for 1990.

But this, too, is a difficult area. Such is the potential leeway in corporate accounts that some sector-watchers suspect that the relatively healthy figures now being declared do not entirely reflect current trading

circumstances. All may be well if the squeeze is not too prolonged, but matters could become more tricky if the Chancellor's medicine continues to have only a gradual corrective effect.

One of the few consistently bright spots was Jaguar, the luxury car group. Shares in the company sprang into life on Tuesday afternoon when Ford, the world's second largest automotive group, announced that it was seeking to take a stake of up to 15 per cent. That is the limit allowed by the company's articles of association until the Government's protective "golden share" – introduced when Jaguar was privatised – expires at the end of 1990. But the 15p rise on Tuesday was followed by a further 45p jump the following day, and another 35p on Thursday to a heady 545p as the market began to believe that General Motors might be set to battle with Ford for eventual control of the UK group.

Meanwhile, at Ferranti, it was the turn of the company's banks to play their part in the extraordinary debacle resulting from the defence electronics group's acquisition of International Signal and Control back in 1987. They agreed a new £100m credit package, in turn extracting a promise from Ferranti that some £100m would be raised from asset sales – expected to come largely from former ISC companies in the States. Further political help

was provided by a Ministry of Defence statement stating that Ferranti remained "an important and valued supplier".

That said, Ferranti's aim of a further equity injection of £100m to £200m has still to be negotiated, and the details of how the company was brought to such an unhappy mess must rumble on for weeks to come.

Mishaps – or at least undelivered expectations – in the US were something of a theme this week. On Monday, Lloyds marked a further retreat by UK clearers from the American market by selling its US commercial banking business to Daiwa Bank of Japan, while on Thursday, shares in TVS Entertainment fell 65p to 122p on news of substantial losses at MTM, the US production company bought by TVS for £190.5m last year.

One person who had some reason to smile was Sir James Goldsmith, who has now steered his consortium's £13.5bn bid for BAT Industries past both a potential timetable hurdle in the UK (pending an appeal by BAT) and the threat of a Monopolies and Mergers Commission referral. Whether he finds the US state insurance regulators – who must approve the change of ownership of BAT's US insurance subsidiary – more obstructive, and whether BAT can satisfy its shareholders with some restructuring measures of its own, is now the rub.

Nikki Tait

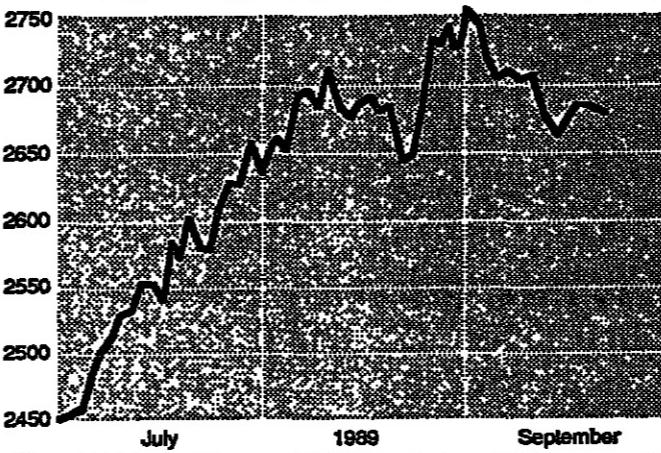
HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1988 High	1988 Low	
FT-SE 100 Index	2370.2	+3.7	2426.0	1782.8	Fragile confidence
Boots	290	-13	322	227	Monoprix trials
Bowthorpe	213	-22	237	154	Results disappoint
Brent Walker	418	+30	423	317	Interim profits up 95 per cent
Jaguar	581½d	+182½	614	264	Ford acquiring 15 per cent stake
Logica	370	+32	411	321	Prelim. profits up 25%
Lucas Inds.	680	+50	725	509	General interest in components
Psion	321½d	-45	336	155	Laptop computer competition
RMC	740	+44	819	503	Interim profits up 34%
Silkolene	635	+220	645	328	Agreed bid from Fuchs Petrolub
TVS Entertainment	191	-56	347	175	MTM, US subsidiary to make losses
armac	300	+17	374	226	Interim profits up 23%
Tuskar Resources	54½xr	+12	82½	7	Oil exploration hopes
United Friendly B	850	+65	850	503	Good interim figures
Whit Faber	239	+16½	265	212	Brokers' recommendations

WALL STREET

Beware the ides of October

Dow Jones Industrial Averages



more than 300 points to reach its all-time peak of 2752.09 on September 1. More curiously still, the Dow finally broke through its previous record on August 24 this year – just one day ahead of the 1987 schedule.

Back in August, of course, investors were well aware of the analogies with 1987. They did not seem too worried, however, for at least three reasons. There was extremely widespread discussion of the fundamental differences between 1987 and 1988, in terms of interest rate trends, international economic prospects and, most important, market valuations.

Regular readers of this column will be well aware of these

distinctions – though also of the qualifications, especially with regard to corporate earnings prospects, which suggest that the picture may not be quite as different as the crude numbers suggest.

But, in the short term at least, these fundamentals may have been less important than two purely psychological factors in soothing investors' nerves in July and August this year.

First, the parallel with 1987, even if it did hold true, suggested a few more months of profitable trading before the retribution set in. Back in August, the ides of October were simply too far ahead for speculators to worry about. Second, there was always

the hope of a decisive breakthrough by the bulls, leaving the 1987 market peak far behind. A major break of the 1987 highs would have produced a follow-through well into the autumn, destroying the 1987 analogy once and for all.

Unfortunately, now we are in late September and the 1987 record has not been decisively overcome. Meanwhile, the anniversary of Black Monday looms less than a month ahead and even the fleetest of traders can hardly afford to ignore it, if he has a superstitious streak.

In fact, the aimless churning which has taken over in the stock market since the peak of September 1 continues the ominous parallels with 1987. Two years ago September was also a listless month, which started with a sharp market retreat.

There is, however, an all-important difference. In 1987, the Dow fell almost 200 points in the two weeks after it hit its high on August 25. This year, the market has not even suffered a 100-point setback.

The fact is that the market in 1989 is less over-extended than it was two years ago. There still are some stocks in the market that are reasonably valued, on the assumption that the Federal Reserve Board and the White House will do their utmost to avoid a recession before 1990.

All this suggests that Wall Street will probably enjoy another run to new highs later on this year. But fear and superstition may guarantee that an assault on new highs has to wait after the anniversary of Black Monday.

Monday 2687.50 + 12.92
Tuesday 2687.31 - 0.18
Wednesday 2682.58 - 2.42
Thursday 2680.32 - 3.61

Anatole Kaletsky

FINANCE & THE FAMILY: THIS WEEK

Youngsters miss out on the Abbey habit

The newly-floated Abbey National building society has an unpleasant surprise in store for some of its younger account holders. Page IV

A sad chapter from Bac

Analysts will be looking for hints of prospective action when British & Commonwealth Holdings reports its interim profits next week, which are forecast to fall to £60m from nearly £83m at the same time last year. Results are also due from Tesco, Vickers, Trusthouse Forte, United Newspapers and others. Page IV

Up and down times for BES

The slump in the property market is causing a headache for those who run assured tenancy issues under the Business Expansion Scheme as Heather Farnborough reports. However, as John Edwards discovers, other BES ideas are proving more successful. Page V

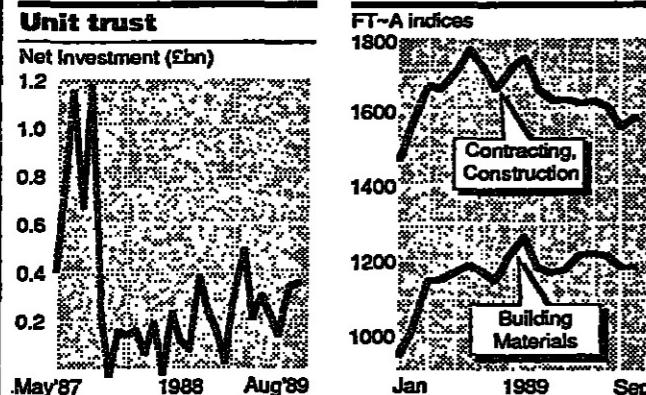
Minding your own business

Roy Hodson and Ian Hamilton Farnborough report on one of the most popular routes to small business success: owning and running a small, high-class hotel. Plus how an American savings bank is proving to be the friend of the mini-entrepreneur. Page VI

■ BRIEFCASE: Forced sale of parents' home: Page VI

Unit trust

Net Investment (£bn)



Equity investors gain confidence

Investors are slowly but perceptibly recovering their confidence in the equity market in general and unit trusts in particular. This is the interpretation placed on the August sales figures from the Unit Trust Association. Investors bought some £855m of units during the month, the second highest this year and cashed in only £501m worth – below the monthly average so far this year, leaving net new investment for the month at £354m, the second highest figure in 1989. Total value of funds under management reached a new all-time record of £56.1bn, some £6bn above the level reached at end of September 1987, just before the stock market crash. However, this rise owes more to the recovery in stock markets than an inflow of investment into unit trusts. Eric Short

Building sector in the spotlight

A barrage of important company news items, plus plenty of actual and rumoured developments on the takeover front, kept the building materials, contracting and construction sectors of the London stock market in the spotlight this week. Interim figures from Tarmac, the UK's biggest housebuilder, showed profits were 23 per cent ahead at £153m, while a half-timer from Barratt Developments reported profits up from £61.5m to £77.5m. There was a 40 per cent rise in interim profits from Steetley, the building materials group, while RMC, the world's biggest producer of ready mixed concrete, revealed interim profits up 34 per cent. In contrast John Mowlem – whose profits rose by only 7 per cent – proved a disappointment to the market. The battle for control of Tilbury Contracting drew to a climax while takeover news from Caradon is said to be imminent. Stephen Thompson

Shares deal is withdrawn

Barclays Share, the retail stockbroking arm of Barclays Bank, is withdrawing the special commission arrangements for dealing in Abbey National shares on Friday next week.

Under the special offer for the minimum commission was cut to £12.50. Normally the Barclays Share minimum is £16 and you have to pay an annual annual fee for dealing or advisory. John Edwards

House prices fall average 2%

House prices dropped on average by 2 per cent in August, according to the latest regional house price survey carried out by estate agents, William H. Brown. However, the volume of sales picked up as sellers adjusted to the lower price levels. The survey, conducted by the company's 283 offices throughout Britain, showed that the biggest fall was in the Thames Valley/Chilterns region where prices tumbled by 6.4 per cent. JE

Aberdeen Trust move

Aberdeen Trust Holdings announced that it had made a recommended offer of £25m for Frederick Place Holdings, which won control of the Country Gentlemen's Association in 1986. The offer has received irrevocable acceptance from 56.2 per cent of Frederick Place Holdings, whose chief executive and deputy chairman, Stuart Goldsmith, is to resign. In a separate deal FPH has agreed to sell its stockbroking businesses in Birmingham and Manchester to Allied Provincial Services. JE

11% account on offer

A six-month, fixed interest account offering 11 per cent net interest (equivalent to 14.66 per cent gross for a standard rate taxpayer) is launched today by Scarborough Building Society. Minimum investment is £1,000. JE

Dividend shortfall for Sun Alliance shareholders

SHAREHOLDERS in Sun Life Assurance Society received something of a shock this week when the company announced that the interim dividend was being increased by 10 per cent. This in itself was not entirely good news, bearing in mind that other quoted life companies have raised their interims by at least 15 per cent. But Sun Life also said that there was only some £6.5m cash available, which was not enough to pay for the £2.2m cost of even this modest dividend – a strange situation for a group with £6bn of assets at the end of last year.

To make up the shortfall the company, headed by chairman Peter Grant, has had to take the profits from its unit-linked life company, Sun Life Unit Assurance, six months early. The £2.2m profit released following the actuary's valuation will just cover the shortfall.

This move has no effect on the bonus prospects of invest-

tors holding with-profit contracts in Sun Life. The linked company is owned entirely by the shareholders and policyholders do not receive any of the profits from that company. However, somewhat paradoxically, the bonus prospects for policyholders in 1989 could well be enhanced.

To understand how Sun Life got into this situation, one must first be aware of the unusual trading position of life companies.

Although life companies receive and pay out money continuously during the year, no profit can be taken from the life funds for either shareholders and/or policyholders until the appointed actuary has valued the funds. Such valuations are invariably made by the actuary at the end of the year.

The policyholders' portion of the profit is added to the shareholders' account to pay the final dividend, next year's interim and any other likely cash calls on shareholders.

It is also used for interim bonuses and terminal bonuses for all with-profit contracts which mature, become death claims or are surrendered during the period to the next valuation.

The shareholders' portion of the profit is added to the shareholders' account. This produces some interesting sums.

Analysts expect Sun Life to lift the full dividend for 1989 by at most 15 per cent, although this rise is likely to be well below the dividend increases expected from other life companies. On this basis, the final 1989 dividend will cost £16m and Sun Life will need at least £10m in the kitty to pay the 1990 interim dividend, making a total cash requirement of £26m.

However, most of the profit has already been taken from

the largest linked company, so there will be little available from this source at the end of the year. The money will have to come from the profits on the main life fund, in which policyholders are entitled to 90 per cent of the profits and shareholders 10 per cent.

If the actuary follows last year's valuation basis, then analysts estimate that the shareholders'

FINANCE & THE FAMILY

ABBEY NATIONAL has another unpleasant surprise in store for some of its account holders. As part of the flotation package, Abbey pledged that children under 18 years old who were not eligible to vote and therefore did not receive the free shares would instead receive compensation equivalent to 5.5 per cent of the sum held in their account at the end of 1988.

Some children, therefore, with large amounts on deposit will receive a substantial sum to be paid in November. But not all, as Elaine Bailey, of Notting Hill, London, discovered to her dismay. Her daughter, who is 5½ years old will receive nothing in spite of holding a "minor

John Edwards on the latest Abbey National losers Kids miss the habit

account" with the Abbey since July 1984.

The reason she will receive nothing is that the Abbey insisted, when the account was opened, that it had to be designated in her parents' name as she was too young to operate the account. It was recognised, however, as a "minor account" and over the years she has regularly used details of the latest Abbey special offerings for children, such as the Action Savers club to woo younger investors. When the flotation came,

however, because Mrs Bailey's name appeared first the account was assumed to be hers. Since Mrs Bailey already held two other accounts with the Abbey she simply received the basic allocation of 100 free shares and her daughter gets nothing.

Mrs Bailey is very unhappy. She says the Abbey gave her no choice and forced her to put her name on the account, even though it was acknowledged that the account was a separate one for her daughter.

Banks to show costs

THE HIGH street banks are to start telling their customers more clearly how much their services cost. This week two of them, Barclays and NatWest, said they will be issuing a comprehensive list of charges for personal customers towards the turn of the year – something they have never done before.

The move reflects growing pressure on banks to be more explicit about their charges, many of which seem to be arrived at by mysterious ways.

NatWest is in the process of compiling a tariff which will be distributed to customers with their December bank statements.

Barclays Bank has embarked on a review of its charges in order to standardise them throughout the group. It then intends to publish a tariff early in the New Year.

Lloyds is also drawing up a list of charges, but was unable to say exactly when it would be ready. Midland said it already published most of its charges, but not all those listed by other banks.

Barclays' tariff will cover accounts which are overdrawn without permission, and services which result in extra work for branch staff, such as stopped cheques, branch drafts, safe custody, telephone authorisation, photocopying and special presentations.

Seymour Fortescue, the director of Barclays UK retail banking services, said: "The review of personal sector charges will further the progress of providing a fairer, more open and more responsive service to our customers."

Pressure for more openness from the banks has come from a number of quarters, including the recent report of the Jack Committee on banking practices, and the Which? report on personal banking.

David Lascelles
Banking Editor

Budget concession paves way for larger annual trust contributions

A PEP to beat the taxman

A LOOPHOLE in the regulations of personal equity plans is being used by River & Mercantile to introduce a new type of PEP offering considerable advantages over the conventional model.

The scheme, launched this weekend, has found a way round the PEP regulations, which allow only half (£2,400) of the permitted maximum of £4,800 per person to be invested in an investment or unit trust.

The loophole discovered is the concession,

introduced in the Budget with privatisation issues in mind, that shares in new issues can be transferred into a PEP within 30 days of the allocation date.

Investment trusts are essentially shares quoted on the stock exchange like any other company, so the launch of a new trust qualifies as a new issue. Therefore by taking up shares in the public offer of a new investment trust you can allocate up to whole permitted maximum of £4,800 (£9,600 for a married couple) into a PEP.

River & Mercantile, which has led the way in the introduction of split capital investment trusts, has come up with an Extra Income Trust for the PEPs that provides a high income, with an estimated gross dividend yield of 10 per cent in the first year.

Since PEPs' income and capital gains are tax free, this means you will be able to earn 10 per cent net, which is competitive with a building society or bank deposit, but at the same time you have prospects of capital growth from the portfolio of shares held by the trust.

The Extra Income Trust, launched today, obtains the high yield – which is two and a half times bigger than the historic yield on the FT All-Share Index – by an unusual mixture of the trust's £50.8m capital.

It has pre-placed zero coupon debenture stock worth £18.1m and share warrants worth £1.2m, leaving £30m to be raised from the offer of ordinary shares at 100p per share. Of the £30m ordinary shares, 22.5m have been sold through placings, leaving 7.5m on offer to the public.



Vivien Gould, director of River & Mercantile Investment Management

The trust has a longer life than many split capital trusts, with the zero coupon stock due for repayment in the year 2000, which should mean less pressure on the fund managers and enhance the prospects for achieving capital growth.

The prospectus published in the national newspapers includes an additional application form, allowing investors to renounce shares in the new issue immediately and transfer them to one of two

new PEP schemes. One, the River & Mercantile Investment Trust PEP, will invest wholly in the Extra Income Trust and, therefore, provide a yield of 10 per cent. Alternatively a more balanced portfolio will be offered by the River & Mercantile Managed PEP, which will invest both in the Extra Income Trust and an average of three UK shares, selected and managed by the company. It will have an estimated initial yield of 6 per cent gross.

To sweeten the pill still further, River & Mercantile is reducing its initial charge from the normal 3.75 per cent to 0.75 per cent for PEP applications made at the same time as the applications for shares in the Extra Income Trust.

There is no limit on the number of shares that can be applied for in the new trust, but if the issue is oversubscribed preference will be given to those applying for the PEPs as well.

Vivien Gould, a director of River & Mercantile Investment Management, which currently manages four trusts and has some £200m under management for 12,000 investors, confirmed that the Inland Revenue had given the scheme formal approval in writing, after top-level discussions. It compiled with the Government's wish to widen share ownership and the group would be sending out free annual reports to investors.

John Moorhouse, director of Reyker Securities, which specialises in "Investors choice" PEPs, said that the River & Mercantile scheme should give a considerable fillip to investment trusts, since it meant that unit trust groups, which had led the way so far, had been left out in the cold.

They were still be restricted to only £2,400 since new unit trusts were not shares on public. It should intensify pressure on the Government to allow the total PEP investment to go into collective funds, as a way of encouraging share ownership with reduced risk.

J.E.

Building societies optimistic

CONFIDENCE is returning to the housing market, according to the latest figures from the Building Societies Association.

During August net new mortgage commitments by societies rose by almost £500m in August to £4.32bn. Although comparisons with a year ago are meaningless, since the Abbey National has been

excluded from the figures for the last two months, the Halifax confirmed higher levels of both inquiries and completions.

Money received by building societies dipped, with net savings falling to a low level of £521m.

The BSA said, however, the decline was in line with expec-

tations and reflected the result of record sales of G registration cars.

The societies are confident that they will not be forced to raise interest rates, which would put pressure on a rise in mortgages as well, in spite of intensified competition for retail investment funds from the clearing banks.

children; effectively parents were made trustees of the account.

Under the rules of the flotation, which were not fixed by the Abbey, trustee accounts were treated as single accounts. If Mrs Bailey had not held any other account with the Abbey, then she would have received the benefit of the 100 free shares.

He added that it gave the Abbey no pleasure not to be able to pay Mrs Bailey's daughter, but it had to abide by the rules laid down under the 1986 Building Societies Act.

Around 1m children under 18 hold Abbey National accounts. Some will receive an extra bonus next month – but not Mrs Bailey's daughter.

ERIC SHORT eavesdrops on insurers and the taxman

Behind closed doors

sified as qualifying policies. If these conditions are fulfilled when the policy is cashed in, then the proceeds are free of all tax.

Switching

Currently, investors in linked-life contracts, regular or single-premium, can switch some or all of value of the contract between different funds without incurring a tax charge. In contrast, if they switched funds by cashing in one contract and taking out another, they would face a charge.

For example, if investors change unit trust holdings, they incur a capital gains tax liability.

The Revenue is unhappy with this tax-free switching facility on life contracts and wanted to change the rules so that any switch would incur a tax liability on the exit charge considerations.

The association is arguing against this on the grounds that switches are made on a bid-to-bid basis, and the bid price already contains a charge for capital gains tax liability.

Withdrawal

Linked-life bonds are non-qualifying policies so that there is a higher-rate tax liability on cash-in.

For nearly two decades, investors holding linked-life bonds have been able to withdraw up to 5 per cent of their original investment each year for a maximum of 20 years and defer any higher rate tax liability until the contract is cashed in.

This facility is an important tool to advisers in financial planning for high net worth individuals, and the Revenue is proposing to end it.

It is urging life companies to design their contracts as clusters of small policies. When the investor wants to take income he simply cashes in a number of complete policies and has an exit charge assessed on each policy at the time of cash-in.

This proposal was strongly resisted by the association, which argued that the investor must know the rules that will apply to his contract at the time of cash-in.

The life company will inform the investor and the Revenue at encashment whether an exit charge is applicable. It is then a matter for the investor and his tax inspector.

One thing seems certain. Currently regular premium life contracts which fulfill a set of complex conditions are clas-

sed in as qualifying policies. If these conditions are fulfilled when the policy is cashed in, then the proceeds are free of all tax.

The main difference is that the decision as to whether or not a tax charge is incurred will be made at the time of encashment – when the life company can look at the history of the contract and decide whether the conditions have been met.

The Revenue wants to base this assessment on the rules in force at the time of exit.

This proposal was extremely difficult for the association to present a rational case for the retention of the withdrawal facility. The outcome is therefore very much in doubt.

The Government's intention is that changes in policy tax will take effect from next January. So if this timetable is to be kept a statement on the changes will have to be made by Peter Lilley, Economic Secretary to the Treasury, before the year-end.

Building societies optimistic

WHAT ABOUT WHEN YOU MOVED JOBS?

If you moved you wouldn't leave valuables behind.
So when you move jobs, why neglect your pension?

Mercury Life has a new scheme which enables you to put any number of pensions – past, present or future – into a single, individual plan: the Mercury Individual Pension Transfer Account.

ALL IN ONE PLACE
With this Account, all your pensions will be in one place where you can keep an eye on them – to ensure a worthwhile benefit.

You can contribute in several ways:

- transfer money from previous pension schemes
- put in money from the government if you contract out of SERPS
- make personal contributions if you are self-employed (or are employed but not a member of a pension scheme)
- add to it in the future

You can control where your money is invested (there is a choice of fourteen different funds) or leave the management to us.

MERCURY – A NAME TO TRUST

Mercury Life is part of the Mercury Asset Management group, one of the leading investment management organisations in the UK, responsible for more than £27 billion*. Over 550 leading British companies and public bodies have entrusted their pension fund investment to Mercury.

To find out how a Mercury Individual Pension Transfer Account could benefit you, talk to a professional adviser. Alternatively, telephone Mercury Life on 01-280 2802 or complete and return the coupon.

*As at 31.3.89

THE MERCURY INDIVIDUAL PENSION TRANSFER ACCOUNT

To: Mercury Life, FREEPOST, London EC4B 4DQ

Please send details of the Mercury Individual Pension Transfer Account

Surname (Mr/Mrs/Miss/Ms) _____ Initials _____

Address _____

Postcode _____

Telephone _____

Fax _____

Telex _____

E-mail _____

Other _____

FINANCE & THE FAMILY

THE WEEK AHEAD

A sad chapter from B&C

NEXT WEEK'S saddest tale may come on Wednesday from British & Commonwealth Holdings, the financial services group headed by John Gunn. Interim operating profits after interest are likely to fall to £60m from just short of £83m in the first half of 1988. After amortisation of goodwill, the pre-tax figure is likely to come out at £35m (£53m).

It is hard to find any part of the B&C empire that is prospering in the high interest rate climate, although Gunn's old stomping ground, the money broker Exco, seems to be doing well enough. But Atlantic Computers is being squeezed by competition and the woes of retail operations such as Hamptons estate agencies need no elaboration.

The City will be looking for hints of prospective action. So far, B&C has lightened its portfolio only by disposals of peripheral investments. If it

begins to sell operating subsidiaries, especially at bargain prices, the outlook for its ultimate survival in one piece must be in doubt.

Wednesday's figures from Tesco, the food retailer, for the 24 weeks to August 12 are likely to show a much stronger volume background than in the summer last year. Analysts are looking for pre-tax profits of £125m or more, against £107m. Each figure excludes property profits, which were £3m last time and likely to be the same again.

Tesco's profit margins should have continued to rise thanks to the growing influence of its superstores and because of its move to centralised distribution. The company may well use the opportunity to reiterate its commitment to being "green."

Vickers, the engineering group, announces interim results on Thursday with ana-

lysts looking for about £31m pre-tax. This represents a strong increase over the comparable figure of £21.5m and largely reflects the interest benefits of the disposal of Howson-Alphagraph, the printing plate maker which was sold to Du Pont earlier this year.

Rolls-Royce is expected to have done well, even in the US market where the luxury car market has been tough. But the defence division is likely to have been flat at best.

Trusthouse Forte, the hotel chain, announces results for the nine months to July 31 on Friday. The changed accounting period is meant to bring the two halves of the year into better balance. Analysts are expecting pre-tax profits of £148m, including about £10m from property disposals.

On the trading level, the period is likely to have seen a strong performance from its provincial hotels on the back

of improved demand from commercial and conference customers. Paris should also see a recovery, courtesy of the Revolution bicentenary.

A continued decline in its national titles' circulation will limit United Newspapers to interim pre-tax profits of about £56m (£53.6m). The *Daily Express*, *Sunday Express* and *Star* have all seen circulation fall and promotional costs have risen as the group has tried to maintain market share.

The increase in profits will be achieved by regional newspapers and US magazines. As much as the circulation problems, however, attention has focused on the intentions of Conrad Black, Canadian proprietor of the *Daily Telegraph*, who has built up an 8 per cent stake in United.

The results season for construction companies is well into its stride. Istock Johnson, which reports half-year figures on Tuesday, sells bricks in UK and in the north east of the US, both of which have seen sharp falls in house building. Istock, however, has proved adept at persuading architects to use bricks in industrial and commercial developments. If any brickmaker is going to buck the trend it will be Istock. Forest products have held up longer than expected and pre-tax profits should be just over £30m (£27m). Analysts expect a toucher second half.

Bryant Group, which announces full-year results on Tuesday, builds houses in southern and central England. Profits should include some sales spillover from the summer of 1988 when the market was still surging. Profits could be £2m to £3m higher than 1988's £50.1m. Next year, however, is likely to be worse.

There have been so many changes at Evered that it is very difficult to forecast the outcome of Wednesday's interim. Some estimates suggest the quarry products group will produce between £16m and £18m pre-tax, depending on property profits. In the first half last year, Evered reported profits of £13.6m.

Redland publishes its half-year figures on Thursday. Investors will have taken comfort from recent results from Steetley, CRIH and RMC, which have similar strengths: exposure to the heavy end of the UK building materials market and to rapidly-growing continental subsidiaries which are major players in their local markets. RMC's very good results in West Germany, where Redland is also strong, will have been particularly pleasing. Redland should just top £100m (£98.2m).

MB Group, the central heating and security printing rump of Metal Box, will report its interim results on Thursday. This will be the first set of results since the packaging interests were merged with Carnaud, the French packaging group, in April.

The figures will only cover March to June and analysts will view the pre-tax total as only of academic interest, attaching far more importance to the trading statement. This is expected to be upbeat about MB's interests in specialist printing and central heating, with a strong continental presence compensating for any downturn in the UK.

MAI, the diversified media and financial services group, is set to announce pre-tax profits of over £50m on Monday, although earnings per share may be a shade down on last year because of a higher tax charge. The numbers are not expected to be too exciting but the results will be of great interest strategically as MAI continues to juggle its businesses in the quest for higher quality earnings.

RESULTS DUE

Company	Announcement date	Dividend (p) ^a	Last year Int.	This year Int.
	Int.	Fwd		
FINAL DIVIDENDS				
Achates Group				
	Friday	1.015	4.86	1.25
Bailey Ben Construction				
	Wednesday	0.6	1.6	1.0
Balfour Beatty Ship Repair				
	Friday	-	-	-
Bayer Group				
	Tuesday	1.2	3.1	1.4
Ciba Brothers				
	Thursday	1.85	3.35	2.2
Colroy				
	Wednesday	-	0.85	-
Community Hospitals Group				
	Monday	0.65	1.9	1.33
Cook DC Holdings				
	Monday	1.4	3.6	1.6
Courtney Pope Holdings				
	Friday	2.3	3.6	3.6
Duncan & Goodrich Waller				
	Wednesday	-	20.0	-
Elico Holdings				
	Thursday	2.2	4.0	2.2
FH Group				
	Monday	3.25	5.75	3.5
Frogmore Estates				
	Thursday	2.7	7.7	2.5
GKN SR				
	Wednesday	0.5	1.0	1.0
Goodwin				
	Friday	-	0.6	-
GT Japan Investment Trust				
	Monday	0.4	1.0	0.6
Harvey & Thompson				
	Wednesday	3.0	8.0	4.0
Hewlett-Packard				
	Monday	2.0	3.25	2.25
Interurope Technology Servs.				
	Wednesday	1.5	2.5	-
Keit Energy				
	Tuesday	2.0	4.4	2.0
Lincat Group				
	Tuesday	-	1.5	-
Lloyd Thompson Group				
	Monday	1.85	3.35	1.9
Magnum Materials Group				
	Monday	1.2	3.05	1.2
Pamida Group				
	Friday	0.5	1.75	0.5
Platon International				
	Monday	0.51	-	-
Prudential-Bache Capital Fund				
	Tuesday	1.75	1.75	1.75
Renaissance Trustees				
	Wednesday	0.8	1.84	1.4
Thorpe FW				
	Thursday	2.2	3.8	2.5
Throgmorton Dual Trust				
	Thursday	2.0	4.0	2.25
Trafalgar Park Estates				
	Tuesday	1.95	3.15	1.7

THE QUALITY OFFSHORE GILT INVESTMENT.

Kleinwort, Benson Gilt Fund Limited has established a fine, long term record for producing a high level of income whilst still increasing investors' capital.

Over the last 5, 7 and 10 years, the Kleinwort, Benson Gilt Fund is the top performing fund in its sector. £1,000 invested 10 years ago is now worth £2,370, including dividend payments totalling £119, a total return of 137%. This fund has achieved Distributor Status for all accounting periods since 1st April, 1985. It is a Class A1 securities scheme in Guernsey and recognised scheme in the United Kingdom.

The Kleinwort, Benson Gilt Fund has achieved this top class record by an investment strategy which concentrates on British Government Securities. For Scheme Particulars which give full details on the Kleinwort, Benson Gilt Fund please return the coupon below.

Please remember that the value of Participants Shares issued by this fund and the income from them is not guaranteed and may go down as well as up. Investors may not receive on redemption the amount they invested. Subscriptions will only be accepted on the basis of the investor having received a copy of the full Scheme Particulars.

This advertisement is issued by Kleinwort Benson Unit Trusts Limited, a member of IMRC and LAUTRO. IMRC Marketing Group Associate - Kleinwort Benson Investment Management Limited.

(Source: Mipolac. Based on an offer to bid basis with gross income re-invested)

To: Clive Harris, Kleinwort Benson Gilt Fund Managers Limited, Westbourne, The Grange, St Peter Port, Guernsey, Channel Islands.

Please send me the Scheme Particulars of the Kleinwort, Benson Gilt Fund Limited.

Name _____

Address _____

Postcode _____

**Kleinwort, Benson
Gilt Fund Limited**

A company incorporated under the provisions of the Companies (Guernsey) Laws 1908 to 1973.

CAPITAL VENTURES LIMITED

"still the leader in performance"

(BEST Investment, May 1989)

offers

BES INVESTMENT IN COMMERCIAL PROPERTY
BRISTOL COMMERCIAL DEVELOPMENTS PLC

The company will develop commercial and industrial property in and around Bristol. Its first site, for high quality offices, is adjacent to the M4 / M5 interchange.

THE OFFER CLOSES ON 5TH OCTOBER AND WILL NOT BE REPEATED

FOR A PROSPECTUS CALL 0242-584380 (24 hrs)
or post the coupon

Please send a Bristol Commercial Developments plc prospectus

Name: _____

Address: _____

Post code: _____

To: Capital Ventures Limited
Rutherford Way, Cheltenham
Glos. GL51 9TR

Minimum individual investment £3,000. Minimum aggregate subscription £1,500,000. Investment in unquoted companies carries higher risks than investment in quoted companies. Expert advice should be sought by an investor before investing in BES shares. Applications to subscribe will be accepted only on the terms and conditions set out in the prospectus.



Share deal service stopped

the acquisition would enable the group to offer a diverse range of financial and investment services.

Stockbrokers, Gerrard Vivian Gray, has launched a new type of service, called AMIG (Active Management for Income and Growth) which provides a regular monthly income.

Proceeds from the AMIG discretionary portfolio, which will include high-yielding shares, convertibles,

investment trusts and fixed interest securities, will be paid into a high-interest bank account.

Equal monthly payments would be made from the account, based on the yield target, and there would be an additional income bonus once a year if the target was exceeded.

Stephen Cooke, chief executive, said it was a highly unusual service to be offered by a stockbroker for portfolios

requiring only a minimum of £25,000.

In the first year only

there is a fee of 2 per cent on investments up to £50,000 and 1 per cent on the balance.

There is also a half-yearly

management fee of 0.75 per cent, but the commission rate for dealings in the AMIG

portfolio would be cut from

1 per cent to 0.75 per cent.

NIG is offering three different PEPs, enabling you

to construct your own

FINANCE & THE FAMILY

State could force sale of parents' home

AROUND 3½ years ago, my wife and I put up £35,000 to buy a £60,000 house in South Wales for my parents. The remainder of the money came from the sale of their only property. The present estimated value of the house is around £160,000 and it's their only real source of capital.

At the time of the purchase, the names of my parents (now aged 75 and 73), my wife and myself were each recorded as owning the property under a beneficial joint ownership. I understand that this means we each own the whole of the house, with any rights being transferred automatically upon the death of a party (ie, we would not need to apply for probate, for example).

This situation is different from a tenancy in common under which there would have been an implied right of survivorship at the time of purchase (say, 25 per cent to each party), meaning that there would be a corresponding charging order by the state est.

should one or both of my parents need to enter a nursing home?

My wife and I have lived in Germany for 10 years and will remain at least as long again. I am regarded as not being resident in the UK, but my wife is, as she is not occupied professionally. The house in which we lived previously is retained for letting and is in our joint names under mortgage.

Should it be necessary for one or both of my parents to enter a nursing home, could the state force a sale of the South Wales house or, alternatively, demand some other payment?

2. If the answer to that is "yes," how would the interest of the parties be calculated at the time of entering the home?

3. As my wife is regarded as resident, should her name be taken off the south Wales property to avoid CGT?

1. Yes.

2. Each party would be presumed to have an equal interest.

3. Yes, if the saving of capital gains tax is her primary objective, but she could lose a valuable asset if she is not compensated properly. However, we doubt if your wife is resident in the UK: regular visits averaging less than three months would not make her resident here. You should consider seriously severing the joint tenancy so that you and your wife can claim 33/60ths.

House for a daughter

MY DAUGHTER is getting divorced and wishes to return to this area with her two children. My husband and I would like to help her get settled and could afford to do so. The small estate where she would like to live has six houses for sale so prices are very competitive (in the £70,000s). Their present house is expected to fetch about £140,000, of which she

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for answers given in these columns. All inquiries must be answered by post as soon as possible.

hopes to receive about £50,000.

Would it be prudent for me to buy the house she wants, with the extra £25,000 put in as an investment? Then she could pay her share when their present house is sold. Also, is she correct in thinking that the wife and children get half the remaining sum after the mortgage has been paid off, or is it more than that? Their house was bought for £46,000 five years ago.

It will be wise for you to make a gift of £25,000 to your daughter. You can make the purchase as trustee for her, if this is convenient, lending the £50,000 which she is eventually to put in. Unless your daughter has paid more than half the purchase price, she would not be likely to get more than half the net proceeds of sale of her present house.

Allowance on interest

MY DAUGHTER bought a house via a mortgage when she was single and employed. She married recently and has given up work because she expects a child. She has little taxed income but the property and mortgage are still in her name. What action should she take to ensure that her husband will have an allowance on the mortgage interest during this current financial year, and also from the changes which are due to take place after next April?

Unfortunately, you forgot to tell us whether your daughter's mortgage is covered by the MIRAS scheme. If so, then the fact that she has little or no income will not prevent her from continuing to enjoy the benefit of MIRAS (ie, relief at 25 per cent). A free leaflet on MIRAS is obtainable from tax inspectors' offices ask for IR68. If her mortgage is outside MIRAS, it is up to her to decide if she wants to give her husband joint ownership (subject to the mortgage), either as joint tenant or as tenant in common. This decision should not be dictated by short-term tax considerations.

I TAUGHT in this country from 1960-71 and have pension contributions for this period to my credit. Between 1971 and 1988 I was abroad, but have now returned to teaching for a local authority.

If I last the course, I will have seven years ahead of me before I draw a pension based on those 18 years of service.

I am now given to understand that I may contribute retrospectively for the 17 years I was overseas.

A sum in the region of £40,000 is in question. Would I, in your opinion, be prudent to buy in these years, bearing in mind that the Government pension would be increased as prices rise; or would the monies be better invested in a private company's pension plan (which?) or left in a portfolio of equities, managed by Messrs John Carrington, who is at present the case?

I have no heirs, so the extinction of my capital is not an issue.

It would appear that you are being offered the right to buy added years under the Teachers' Superannuation Scheme.

The terms for added years

enable you to obtain an index-linked pension with an index-linked surviving spouse's pension. You may be able to buy some of these lost years by paying contributions during your remaining seven years, which are eligible for tax relief, whereas your lump sum payment is not eligible for tax relief.

Whether it is in your best interest to keep the capital invested instead of buying added years is a question which you must decide for yourself. Many people will offer you conflicting advice – not all of it impartial, but no one knows whether we will revert to high inflation during your lifetime, whether tax will continue to fall or nudge back up again, or what levels of return that you can obtain in the investment market.

One factor that you should consider is that the pension that you receive at the end of the day from the teachers' scheme will be taxable as earned income. In contrast, if you invest your £40,000 in a series of unit funds, and then at retirement you buy an annuity, a substantial part of this annuity will not be subject to

tax because it is deemed to be a return of your own capital, and you only pay tax on what is deemed by the Inland Revenue to represent the investment content.

Another factor is the rate at which your salary is likely to increase between now and retirement. Do you expect to tick over and move with the pack, or do you have reasonable expectations of finishing your career in a more senior position? As pension rights are based on final salary and as the formula for added years is based on average salary progression, then you get better value for money if you enjoy promotion to, say, deputy head or head.

The added years formula provides for a spouse's pension whether you are married now or marry up to retirement age. If you are unmarried and have firmly decided to remain unmarried then this could swing the balance of advantage in favour of keeping the capital and investing it, because a substantial amount of what you would pay under the added years formula would be earmarked for a contingent widow's pension.

Heather Farmbrough reports on a taxing dilemma for assured tenancy issues

Property slump hits BES investments

AS A FRESH flood of Business Expansion Scheme prospectuses washes over investors' doorsteps, existing shareholders in assured tenancy issues are beginning to ask what happens to all the money they forked out before April this year.

Has it been invested, as sponsors promised, or is it sitting in the bank earning interest for the company, but not for shareholders?

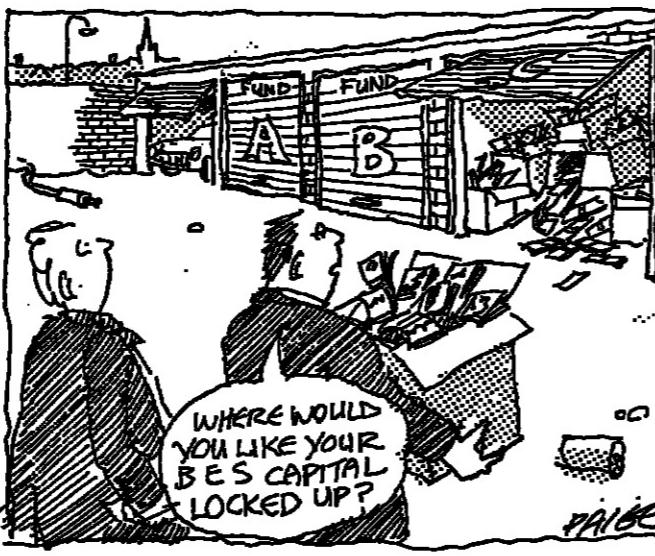
The answer apparently is that it depends on the scheme. "I don't think there is a general pattern," says Tim Villiers of BES Investment Research. "However, companies in the south of England appear to be still looking for bargains and have been slow to invest."

This might sound very sensible, since no-one wants to buy into a falling property market. It is also necessary, however, for companies to commit a "substantial" amount of the money raised, so that shareholders can be issued with their BES 3 certificates and qualify for tax relief.

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it raised last year. The company believes that this will be acceptable to the Revenue.

The latest Halifax Building Society report indicates that house prices are likely to remain flat next year and recover in 1991. In some areas, such as the north of England and Scotland, prices may continue to rise, but the longer the time to rise, the more the price is slowing. Success rates will therefore vary considerably from region to region over the short term.

Nevertheless some sponsors have been buying earlier. Craig Reader, at Chancery, says that most of the money



raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it raised last year. The company believes that this will be acceptable to the Revenue.

The latest Halifax Building

Society report indicates that house prices are likely to remain flat next year and recover in 1991. In some areas, such as the north of England and Scotland, prices may

continue to rise, but the longer the time to rise, the more the price is slowing. Success rates will therefore vary considerably from region to region over the short term.

Nevertheless some sponsors have been buying earlier. Craig Reader, at Chancery, says that most of the money

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to launch, while the controversial Liverpool Constellation scheme has invested half of the £5m it took in.

Chancery's Cambridge and London schemes are about 80 per cent invested – the company has completed on 90 per cent of properties – Kerington is almost fully committed and the sheltered housing company, Assured Care Centres, has committed about 75 per cent.

It is also important that the rest of the money is committed within 12 to 18 months from

the date of the issue, as the Revenue tend to start getting tough after this date. Nevertheless many companies may fail to do so, since the sponsors are very reluctant to buy into the present property market. The worry is that if sponsors keep money in the bank too long, the Revenue could say that the BES company is an investment company, and it will not qualify for tax relief.

It is a dilemma, particularly for companies which are committed to investing in the south east and Midlands. Would any sensible person buy at present when so many property bargains are expected in a few months' time?

In London, where the situation is worst, Artesian Estates, for example, has committed just 1 per cent of the £24m it

raised last year has been invested. The capital raised for Metroland was fully committed prior to

MINDING YOUR OWN BUSINESS

Owning and running a hotel rates high among the ambitions of people who want to start their own business. However, it is not a career for the faint-hearted, and it requires more capital than most other small business ventures.

A West End home from home

DIANA WALLIS, who with her husband Michael Wilmett owns The Beaufort hotel just 100 yards from Harrods in London's West End, came into the hotel trade because, as she says, "I wanted to do something different."

After years working in television, including spells as a news reporter for both independent television and the BBC, she decided at the age of 33 that running a hotel would be a natural progression on the basis that "the only other thing I could do was run a home."

Now, four years later, The Beaufort and its 28 rooms is the result of her decision. Although it has only been open since the disastrous tourist summer of 1986 (when many Americans stopped coming to London because of the US attack on Libya) and the Chernobyl disaster) it is already attracting special mention in

hotel guides for its high standards - together with such apparent idiosyncrasies as quoted all-in rates without hidden extras, and a free bar for the residents.

The hotel does not have a dining room - "we are surrounded by London's best restaurants," Wallis points out - but concentrates upon providing comfortable rooms with friendly service.

Diana Wallis and Michael Wilmett believe that by opting to invest in a hotel in central London they are founding a more secure business for their futures than a hotel in the country could provide. Marketing the hotel worldwide in order to secure high occupancy of 28 rooms in central London all year round is proving their hardest task. Yet it would be even more difficult, they believe, to market a country location, and there would be more marked seasonal varia-

tions in business.

Location has been their prime motivation from the beginning. Two adjacent Victorian houses in Beaufort Gardens, a Knightsbridge side street, were so run-down as to be almost derelict. But the premises were freehold and Diana says that when she found the site she "saw through the sleaze" and conjured up mental pictures of an elegant town house hotel.

They bought the property for £1.85m and started a £650,000 rebuilding programme. They contributed £750,000 capital and NatWest's St. James's branch responded to Wallis's business plan by putting up £1.5m. Since then they have moved to the Bank of Scotland, which has provided a re-financing deal.

Their marketing experience indicates that in spite of all the hard work in setting up a hotel

you need some luck too. They started by sending 20,000 brochures to companies, chairmen, and travel agents in many countries. Yet that elusive taste of success first came in the form of an unexpected surge of bookings from the US. A US subscription news letter called Passport (which Diana admits she had not then heard of) had written about The Beaufort as being "a new concept in hotels - where the guest is the most important person and personal service is what matters."

That unsolicited recommendation from a much-respected publication in the travel trade was sufficient to win recommendations from US travel agents (without whose advice many US citizens will not willingly venture beyond their front doors). The bookings began to flow in.

Wallis manages the hotel to break even on a 68 per cent

occupancy and is usually comfortable above that figure. The guests list these days is evenly divided between North American visitors. She has a staff of 20 which provides an unusually high staff-to-guests ratio by the standards of the hotel trade.

She ensures good service and low staff turnover by paying what she claims are the highest rates in central London.

The Beaufort, 33 Beaufort, London SW3 1PP. Tel 01 584 5252.

JAY GROSS, chairman of an American savings bank, Bell Savings Bank of Philadelphia, is hoping to double his British and West German trading this year in a niche market for small businesses that he has made his bank's overseas specialty.

Bell Savings, as I mentioned on this page recently, is one of the rare institutions that is prepared to handle, without prohibitive transaction fees, accounts for small businesses whose trade involves a number of small cheques in US dollars. By running everything from the bank's head office in Philadelphia, and by cutting costs to the bone, Gross is turning what began as a novelty into a serious international market for his bank.

Gross now has 4,000 small businesses and individual depositors based in Britain, and a slightly higher number in West Germany. He concluded negotiations with the Swiss and Dutch authorities two weeks ago and expects to start offering the service in those countries shortly. He expects his British and German business to double this year and hopes to be providing low-cost dollar banking for small value transactions throughout Europe by 1992.

Gross has found his market by turning conventional US commercial banking practice on its head. The US banks do not like accounts with a great many small cheques passing through them, unless special arrangements are made and fees are established to cover the paper handling. US accounts are often geared to a limit of a certain number of transactions per month, depending upon the size of the funds deposited.

In contrast, Bell Savings Bank has built its domestic business upon small transactions in the 50 years since it was founded by the Gross family. It has almost \$1bn total assets, of which more than \$700m is represented by small deposits averaging about \$6,000. "We have traditionally geared ourselves to handle accounts of that size involving numerous small transactions," says Gross.

The bank has a staff of 400 in 20 offices in Philadelphia. Small business depositors in Europe keep in touch by using a toll-free telephone number to the Philadelphia headquarters. Customers usually pay in their dollar cheques by post. They are not debited for any currency conversion charges.

Roy Hodson

The free line has proved a piece of inspired public relations for Bell Savings. When European customers visit the US they are apt to call in to the Philadelphia office to say "hello" to the women clerks who handle their accounts. Sometimes they take flowers. "I think some of them call in if we are real," Gross laughs.

The bank accepts a minimum opening deposit of \$600 and can pay withdrawals either by wire or by a sterling cheque sent through the post. Customers can also have access to their money in Britain and other countries outside the US by using a cash card geared to the Link system, interest rates paid on

deposits vary slightly according to the type of account chosen and at the moment are around 5½ per cent.

As for security: each account is insured for up to \$100,000 with the Federal Deposit Insurance Corporation, a US Government agency.

If you are travelling a good deal, and paying hotels and similar bills in US dollars, it might be worth considering taking out an American Express international dollar card linked to a Bell Savings account. You will avoid suffering currency conversion at often onerous rates.

The card can be used for purchases in any currency but must be settled in dollars. It can be paid direct from the Bell bank account.

Bell Savings Bank, Representative British office: The Grove, Starrock Lane, Chipstead, Surrey CR3 3QD. Tel 060 4354.

R. H.





David and Chris Grant: quality before quantity

Back from the brink of a black hole

DAVID and Chris Grant say that there is "a black financial hole" in the small hotel business between annual turnover levels of £400,000 and £800,000. There is profit below and above, they argue. But bridging that gap requires a complete change in investment and staffing, and they themselves have just looked over the edge - and pulled back.

This year they opened The Manor at Chadlington, three miles from Chipping Norton on the edge of the Cotswolds, a run-down country house they are turning into a hotel.

They have done it before with a former country house called Kirby Fleetham Hall in North Yorkshire. In 1987, after seven years of growth, they sold it to a hotel group. By then they had put the main house in order, renovated cottages in the grounds and converted the stables. That final step took them from 19 to 30 rooms - and up to the edge of the "black hole".

David Grant says: "A 30-room hotel needs a lot of people to keep up the quality. Although we were adding

£100,000 of turnover, the extra costs were wiping that out."

So the Grants, both 43, decided to sell and start again with something smaller.

They have been building things up from scratch since they both graduated in physics from Oxford, where they met, in 1967. They bought a house in London, did it up, re-mortgaged it, bought a run-down house in Oxford, did it up, bought another, and so on. Meanwhile, Chris Grant was working in computers, while David was pursuing a career with Unilever and Philip Morris, where he became UK marketing director.

"The tax system drove us into a new career in small business in 1977," he says. "The UK's rates were penal and we could not see how we could accumulate wealth without setting up on our own."

They sold their houses to raise £70,000 for their first venture, a "restaurant with five rooms" in Staining, Sussex. She was chef and he expanded the accommodation up to 10 rooms. After three years, with turnover at about £100,000,

they sold for £160,000 and bought Kirby Fleetham Hall for the same sum. They borrowed £150,000 and got to work on the improvements, while building turnover in a tight little tourist niche.

Their preferred style is no dinner dances on Saturday nights, no shooting party weekends, no laid-on entertainment. But their rooms are luxurious and spacious, food is gourmet standard, and the wine cellar - now in Oxfordshire - is exceptional.

Their target is to appeal to affluent people who like good food and quiet weekends in the country, to American tourists who want something different than a standard hotel, and to big-company customers wanting somewhere secluded for two-day board meetings or for plotting the next moves in a hostile takeover bid.

The ideal size for the sort of hotel we are running is 12 to 15 rooms," David Grant says. "That gives about 25 to 30 people in the restaurant - not too many for us to handle at the quality they expect. We wanted 12 to 15 rooms that would pro-

vide the sort of turnover we had in Yorkshire without pricing ourselves too high. The answer was to set up in the Cotswolds to be near London, Oxford, and Stratford, and get the benefit of year-round tourism."

The Grants got £1m for Kirby Fleetham Hall and needed it all to cope with higher southern prices when buying the Manor. They are relying on the bank for working capital but with their track record it is easily forthcoming.

"We would have been profitable this year if it hadn't been for Chancellor Lawson and his interest rates," Grant says. "Next year will have to do."

However, the surplus of income over operating costs will be ploughed back continuously into improvements, as in the past. That is tax-efficient because it reduces declared profits and tax liabilities while improving the asset value of the business and the ultimate capital gain when it is sold.

The Manor, Chadlington, Oxfordshire. Tel 0608 767111.

Ian Hamilton Fazey

MINDING YOUR OWN BUSINESS

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

INDUSTRIAL ESTATE

With Great Potential.
Approx. 64 acres, partly developed.
Midland Location.
Write Box F8998, Financial Times,
One Southwark Bridge, London SE1 9HL

Principals of mobile plant sales

Organizations are invited to contact UK importers of Atlas wheeled loading shovels from West Germany. Exclusive territories will be available to enthusiastic companies.
By letter please to Managing Director, John Hanlon & Co. Ltd., Highlands, Campton, Beds. SG17 5NC

PACKAGING PRODUCTS

(small machines), blue chip customer base, fifteen machine tools, and people experienced in word-processing, sales, service, book-keeping etc., seek home where machinery and knowledge can be of mutual benefit.

Write Box F8228,
Financial Times,
One Southwark Bridge, London SE1 9HL

5 Acres Industrial Lane

With permission, access onto main road 30 miles south of Birmingham.
Write Box F8914, Financial Times,
One Southwark Bridge, London SE1 9HL

LE CROISSANT SHOP

The name Le Croissant Shop in the UK is the exclusive property of Chestermark Ltd, of 23 Crawley Road, Luton, LU1 1HX, who have been trading extensively under that name since 1982 as purveyors of high quality croissants.

Despite certain publicity recently circulated under the auspices of the U.S. Embassy, no other person firm or company has any right to grant franchises to use the name within the UK.

As in previous cases, action will be taken against any infringers of Chestermark's rights in their name or other trading styles.

Investment opportunity

in proprietary 18 hole Cheshire Golf Course and Clubhouse with leisure facilities.

Interested parties should write to:

Box F9224, Financial Times, One Southwark Bridge, London SE1 9HL

REGENTS PARK

Prince Albert Rd, London NW8
St Johns Wood, Archi designed, new elegant refurb, 2 bed, 2 bath, 30ft. Rec, terrace apt, direct park view. N. all rooms. Light + open space. M. 2 bedrooms, 2 bath, 20ft. Forecourt, residents, parking, sep garage available. Value at £250,000. Will accept £220,000 for quick sale.

Contact R Chang 01-485 5168 ext. 6500. H. Long let available £550/wk.

5 ACRES INDUSTRIAL LANE WITH PERMISSION

Access onto main road 30 miles south of Birmingham. Write Box Box F8914, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESSES FOR SALE

RETIREMENT SALE OF FAMILY INSURANCE BROKERS

ESTABLISHED 1931 IN CROYDON AREA
PREMIUM INCOME £1.2m.
COMMISSION RECEIVED: £220,000 - APPROX. 55% MOTOR
- 35% FIRE/GENERAL - 10% LIFE
11 STAFF INCLUDING RETIRING DIRECTOR.

Freehold Office of 1200 ft. also available for lease or purchase.

Write or telephone in first instance to:

Roger Lugg & Co. 12/14 High Street, Caterham, CR3 6AD
0893 45211

FOR SALE FITNESS CENTRE

Workout room, aerobics, stretch etc. Bodybuilding & circuit training, 2 saunas - club & bar - 650m² - beauty centre, body care - beauticians - algotherapy - slimming counsel. In large business site 15 mins from Paris, close to Eurodisney.

Phone from 9 am. to 3 pm. Mon, Tues, Thurs & Fri.

France (1) 43 05 03 27

BUSINESS FOR SALE

RETAIL AND WHOLESALE PETFOODS

Frosty Rod, a specialty-based Home Delivery C/I/O, £250,000 p/a. 10 year franchise at value. Principals only. £50,000.

Write Box H522, Financial Times, One Southwark Bridge, London SE1 9HL

YACHT CHARTER COMPANY

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

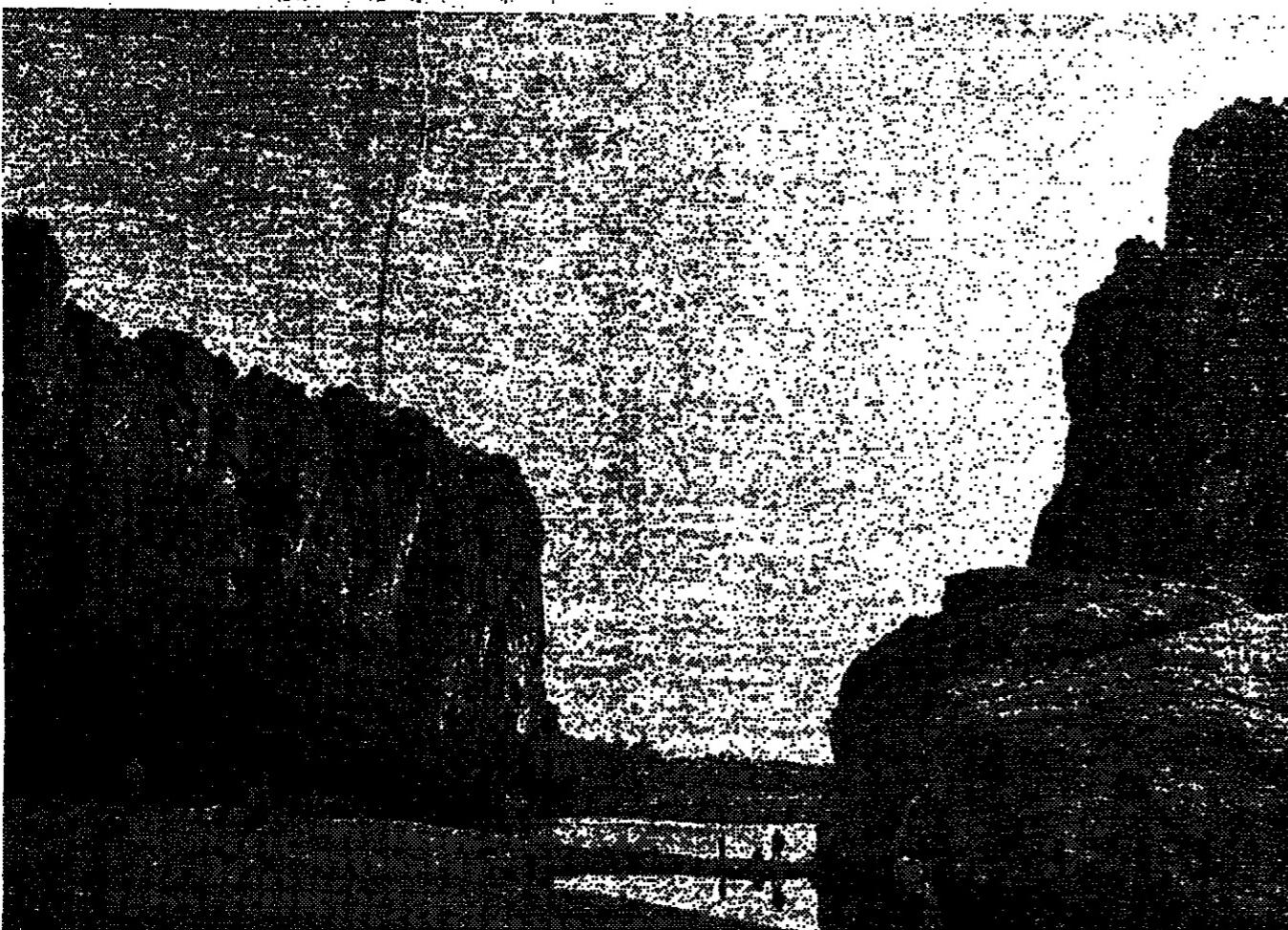
1980 bookings already 120,000.00

Up and running yacht charter company currently operating out of 100ft. Five year old, including 50 classic. Enormous potential.

</

TRAVEL

Wildside Special: Julia Berney, fortified by some real bush tucker, wanders through the Dreamtime of Australia's Top End



Windjana Gorge in the Western Kimberleys

Acne on the earth's face

KUNUNURRA CAME up through the plane window like an oasis. Suddenly the brown hills revealed lagoons where the pelicans sail, banana plantations, paw-paw and rock-nellies in a sheet of bright rectangles. Up there at the Top End, Western Australia's first town after the Northern Territory border feels lush even in dry winter.

A launch took us into the wetlands beside the Ord River. Thousands of cockatoos, white cockatoos with fishwife voices – were flocking from seed-feasts in the fields. Pack saddle Creek was white and blue as they filled the branches of drowned trees that clawed the sky above rippling water.

Our boat nudged the reeds, creating uproar in the trees where flying foxes hung like broken umbrellas. Squadrions of them beat the air at sunset. By then we were out on the wide Ord. Smoke from bushfires in the hills intensified the hot sky colours.

Kununurra is the eastern gateway to the vast Kimberley region. A four-seater plane sped us over Lake Argyle – the southern hemisphere's largest artificial lake – and the Argyle mine, which yields pink, champagne, and (rarely) red diamonds. Then came the Bungle Bungle range, which from the air looks like geometric acne on the face of the earth.

I sat by pilot Gavin, who had Persil-white knee-socks and a laid-back approach to dropping sideways over yawning red canyons. I was disconcerted when he flipped the pages of a little notebook to find a hand-drawn map of the Turkey Creek landing-strip, the sort of blue-biro effort you might do to give a friend directions to your house. But my apprehension was fleeting. Gavin, like a lot of Australians, had the 'she'll be right' attitude which inspired total confidence and optimism.

The tortuous track into Bungle Bungle is for four-wheel drive only. You get jolted to hell as your vehicle crosses dried rivers and troughs where rocks jag the surface. Some



Aboriginal artist from Australia's Northern Territory

mounds, tall as men and shaped with beads and necks. They resembled people swathed in bessian...

Bungle Bluff, brick-red, stretched before us. Here we entered Echidna Chasm. Tall, graceful Livistona palms with bluish leaf fans filled the gorge mouth. There were sandpaper fishes whose leaves really do feel that rough.

A bower-bird was titivating his thatched arbour on the canyon floor. The bower is not a nest, merely a lure for the female. Her bower-birds are fickle and materialistic. They leave one male after another suffering from unrequited love until they find a sugar-daddy with a superior bower.

Echidna Chasm rapidly nar-

rows. Vegetation ceased. There was only the stony floor. For 20 minutes we walked into the centre of the earth, until the gorge was just a metre wide with perpendicular walls shooting up to a silver of sky. The silence was profound: no wind, no birdsong.

We emerged into another heart-breaking sunset. An artist friend once told me that Bungle Bungle was "a whole different palette," which now I saw, red-hot orange rock, violet-blue shadows. It was like when you turn your television colour contrast button too high. But the real phenomenon was that long after the sun had disappeared, the bluff continued glowing like a bank of embers.

The south-eastern Bungles consist of beehive formations – high domes and cones, horizontally striped with orange silica and black lichen protecting the sandstone. We walked the dry bed of Piccaninny Creek, which is water-sculpted like a miniature glacier, and into Cathedral Gorge which ends in a huge overhang above a pool.

From Bungle Bungle we followed the Great Northern Highway to the old gold town of Hall's Creek, now a service centre for the pastoralists. A plaque commemorates two ladies who tragically perished on the edge of the Great Sandy Desert south of the town in 1986; even today, armed with local knowledge, nobody can venture safely from marked roads in the desert.

The Fitzroy River flows through Geikie Gorge, fringed by paperbarks, red gums, coolabahs and sandalwood. Our boat passed close by freshwater crocodiles and snake-birds. When the engine was cut, there was echoing birdsong and the loud pop of dripping water. The gorge walls, an uplifted Devonian reef, have been flood-eroded into fantastic white arches where fairy maidens build bottle-shaped mud nests, and fluted shafts that hang entirely unsupported.

The same reef crosses Leopold Downs – rich cattle land – and houses the kilometre-long Tunnel Creek, which can be walked in winter provided you take a torch and are prepared to wade through the permanent cold black pools. We stumbled over stalactites broken by summer floods which crumpled into roof niches. Torchlight picked out a sparkling calcite shawl. At the funnel mouth are Aboriginal rock paintings including mouth-blown stencil hand prints.

This is boab country. The Aborigines say that boabs have been planted upside-down, which is a good description since the relatively small crown, rising from a succulent swollen trunk constricted at the top, does look more like a root system. Boabs are at once both stately and ridiculous.

In the permanent winter pool of Windjana Gorge we saw more freshwater crocodiles, smiling benignly from a sandbank. The gorge ranged with the din of corroborees, forever flocking and fighting or swinging acrobatically from branches.

The walls of Windjana rise from the Lennard River's flood-plain. For our last night of sleeping under the stars we chose the middle of nowhere, except of course that nowhere is always somewhere, and this happened to be the banks of the Lennard, waterless in winter, sandy like an inland beach.

Curiously enough, the details of this nowhere seemed more special than the awesome landscapes that came home in a camera. The evening was warm, but we had a fire. A big white spider ran over the enamel mugs. The river gums were silhouetted against moonlit mackerel sky. Quite late, we walked down river. The sand was billowed and looked like snow under the moon. There was a praying mantis in my sleeping-bag.

Information: I travelled through the Kimberley with Hall's Creek & Bungle Bungle Tours, which will also cater for individual tours by prior arrangement, eg the Canning Stock Route or Great Sandy Desert. Bungle Bungle National Park is accessible during the dry season, which is roughly April to Nov/Dec.

A crouton in the soupy sea

"FLAMING SAILED past it. Dampier never noticed it. Flinders didn't see it," says the brochure of Cockatoo Island. Entrepreneur Alan Bond, however, saw its potential as a holiday resort which, since opening last April, has become one of the most publicised and romanticised destinations in Western Australia.

Cockatoo is one of more than 800 islands resting like croutons in the soupy turquoise sea of the Buccaneer Archipelago.

Dugongs (sea-cows) wallow in waters which, from the air, look almost torpid save for the occasional tidal whirlpool. Sharks and crocodiles – the infamous salties – infest Yampi Sound surrounding Cockatoo.

Virtually everywhere in WA claims to have the best sunset but here the claim seems justified. Maybe it was the frigate birds wheeling on an empty sky or the champagne produced the right effect as we cruised around the island waiting for the Southern Cross to rush out.

Cockatoo Island is the hedonist's dream, with tropical greenery, sultry hot winter days, a stunning cliff-top swimming-pool – to compensate for the deadly sea – and an open-air seafood

restaurant serving local oysters, coral trout, barramundi and red emperor.

It is a place to wallow like a dog in soporific luxury. The point at which hedonism melts into decadence is too much like hard work to define.

You do have to be prepared to mix with the island wildlife, including the cockroaches – "they are quite harmless" cooed our hostess, eyeing them lovingly.

An aisle dove pecked at our breakfast croissants and large marsupial bushmeat, bold in the knowledge that they are a protected species, made forays between the tables at dinner.

Returning late to my blanchange-pink bungalow, I found a pallid nocturnal lizard, all black bobble-eyes and sucker-disc fingers, creeping under the hurricane shutters to explore my ceiling.

He was delightful actually, a welcome intruder. I woke with mosquitoes mobbing my face; the rooms have no fly screens. Maybe there is no place for something as ugly as flywire in paradise.

The fragrant flower, thoughtfully placed by unseen hands on my bed the previous night, retained its too-beautiful perfume but had gone brown at the edges. The world's least known island

for senior staff and miners with families.

He and most of the men, on the facing hillside, enjoyed what was known at all Outback mines as SHRAM – Sht House Rooms and Meals. Privacy was minimal. Being blunt, he used no euphemisms to explain this.

The gist of his illustration was that if the bloke in the corner cubicle was providing himself with entertainment and relief, the whole building shook.

And they swam in the carnivorous sea. The transformation is effective; this place is seductively relaxing and quite hypnotic and you want to stay forever. But forever would include summer – the cyclone season – and in any case, perhaps the charms of Cockatoo Island is the transience of the dream, a flicker of paradise, as voluptuous and fragile as the frangipani flower.

Information: Cockatoo Island is approximately 40 minutes by air from Derby and 70 minutes from Broome. Winter (April to November) is the peak tourist season, with temperatures in the mid 20s to low 30s C. The island has tennis and squash courts; boats can be chartered for fishing. For further information contact the WA Tourism Commission.

Brumbies and cockatoos on the lost horizon

GREEN ANTS, which taste distinctly lemony, make insubstantial elevenses. This I discovered at Eva Valley, east of Katherine, in Australia's Northern Territory. Murray, our guide, who looked tough enough to eat whole nests of ants, had urged us to try some bush tucker. He said:

"No worries," he said. "Just bite off its bum."

Eva lies in 29,000 square kilometres of Aboriginal-owned land. Outsiders need entry permits. Until you meet a rural community you form the impression from holiday brochure photographs that Aborigines spend their entire time ceremonially bedecked and ready for a corroboree, so it came as a surprise, in this secret valley sheltered by gum and wattle bushland, to find the Jawoyn and Myily people driving vans and occupying corrugated shacks.

Ochre bands daubed on the metal walls signified a death in the household. The people here combine old ways, old materials, with the modern. Artist Joe, still using ochre and river grass brushes, now paints his stylised animals and cross-hatched designs on to hardboard since it is environmentally unsound to strip and kill mature trees just for bark pictures. At night, under a cold moon, Joe, in white overalls, rocked slowly on a camping stool and told stories from the Dreamtime.

We slept on the verandah of the homestead, relic of an abandoned cattle station, with crushed termite mound walls and gape under the rafters through which bats entered the empty rooms. After midnight the brumbies – wild horses – came galloping past the verandah, and the dawn chorus included feral donkeys.

South east of Eva we visited the Barroway settlement. Large black cockatoos with red tail flashes were scavenging the township's rubbish tip.

Beneath a tree, surrounded by dogs, stood David, a maker of

didgeridoos – he uses scarlet gum which the ants have hollowed. With his toes in the dust, he seemed rooted to the spot. It was astonishing to learn that David, with other Aboriginal musicians, once went to London and met the Queen, which is more than I have done.

A snaking dirt track took us into a valley of pandanus palms and butterflies whose wings matched the yellow kapok blossom. Climbing an escarpment we looked upon Bewsey Falls, which in the dry season is only a trickle of its summer glory. But the beauty of the scene – the further waterhole crocodile-infested and rimmed by white sand, the upper pool dark blue in a rock bowl, and nothing but bush forest to the horizon – was such that you felt nobody could ever have set eyes upon it until that moment.

The descent was easy with boulders like giant cubes of fudge providing steps. The top

fish already. I rather like the latter surmise. Until then I had a suspicion that we tourists were seen as patrons of these Aborigines. We had praised their pandanus-weaving, photographed their shy giggling children and muttered in pity about their conjunctivitis. Whether the Jawoyn and Myily people, or want, their guests, may be they are too amiable and polite to say. Now I sensed they had ever-so-gently cocked a snook at us.

At present the Eva Valley Aborigines are domesticating wild water buffalo – problem beasts in the Northern Territory

Fog Dam. When this lotus-lily swamp shrinks in winter, the fish congregate on what water remains – pied herons, magpie geese which were blamed for the failure of rice-growing here, Belding ducks, masked plovers and white egrets like garden statues. In the surrounding bush we saw wallabies, crimson finches and rainbow bee-eaters.

The early winter burning of northern bushland is common practice, before it is dry enough to produce too hot a blaze. Burned areas form fire-breaks ready for the danger season. Flames were licking the verge of the Stuart Highway as we drove towards Pine Creek. In one smoke pall hung dozens of black kites, watching for creatures escaping the fire.

Smoke is one highway hazard; the other is road-trains. Overtaking one of these giants with three semi-trailers – fuel tanks or double-decker stock-pens – or meeting it on a single-width road can be so daunting for motorists unfamiliar with the problem that an advice booklet is available, entitled "Mixing with Monsters."

Monster eddies also occur beside Stuart Highway – built by the tiniest construction workers. Some "cathedrals" termite mounds were four times taller than Murray, who was no midget. We also saw magnetic termite mounds, so-called because every slab is built north-to-south, thus presenting the thinnest edge to the noon sun and keeping the interior evenly heated all day. Grouped magnetic mounds resembled a graveyard. It seemed you could almost plot your progress according to the various architectural styles.

Later on our trip across the Top End of Australia, in the western Kimberleys, we were to see termite creations ranging from heaps of sandbags to gingerbread cottages fit for Hansel and Gretel.

We reached Katherine in late afternoon and cruised up-river as the sun began reddening the sandstone gorges and highlighting wildmill palms that stood on ledges like ornaments on a dresser. Katherine Canyon's hanging gardens defy gravity, with billy goat plum roots gnawing the sheer cliff and wild figs dangling their roots metres to the water. We saw none of Katherine Gorge's freshwater crocodiles.

Information: I travelled through the Northern Territory with Terra Safari Tours, which has sole rights to Eva Valley, and operates all year round through Kakadu, Arnhemland and Katherine.

However, it is worth remembering that if wetland birds and crocodiles are your interest, it is better to go in the dry season (April – November) when they are concentrated into smaller areas. For further information contact the Northern Territory Tourist Commission, 4th Floor, 393 The Strand, London WC2R 0LZ.

HOLIDAYS & TRAVEL

INDIA

'THE JEWEL IN THE CROWN'

Exotic holidays at unbelievable prices this winter:

1 week MOGHUL TOUR plus 1 week own arrangements from £399

2 week GOLDEN TAJ TOUR from £499

2 week RAJASTHAN TOUR plus

KASHMIR, GOA, NEPAL, MADRAS and many more places of outstanding interest

For full details, ask for our new brochure

CALL 01-748-5050
152 King Street
London W1Q 0QU
ABTA 34187 ATOL 1708 IATA

HAYES and JARVIS
ITRAVEL LIMITED

SPECIAL INTEREST/ACTIVITY

MOUNTAINS, WHITE WATER, JUNGLE – Special adventure holidays under the guidance of our resident English Directors in Nepal. For brochure fax 0181 832 6255

HIMALAYAN QUEST
30 Hamilton Terrace, London NW3 4LY

DRIVEN MALLARD: DENMARK 25 and 28 SEPTEMBER 1989

Limited vacancies to complete team of 8 guns shooting 600 birds per day on quality estate 1½ hours south west of Copenhagen.

Apply: Major Neil Ramsay, DUNKELD PHB GAC, Scotland, Tel: 0382 8891, Fax: 0382 8830

Holiday cruises with edition 14 DATES

FROM £550 R.V.A. recognised cruise lines from Mercury Marine, Hamble, Hampshire.

Practical and theory courses from expert instructors, always running.

CARIBBEAN. Choose the fabulous British Virgin Islands, St. Lucia, St. Vincent, or fully crewed power or sail from £1100-20,14 nights including return B.A. flights. Tropic Sun 0172 881 570.

SKIING HOLIDAYS FOR THE DISCERNING

SNOW in Gibralter, Verbier or hotels in mythical Kashmir, with optional extensions for both culture vultures and sun seekers. Flights, excellent food, first class chalets or hotel accommodation.

Call for our 1989/90 winter brochure

As VACATIONS ELITE

20 Savile Row, London W1X 1AE - 26 Trentham Street, Bristol BS1 5AN

Name _____

Address _____

Postcode _____

FLIGHTS

SWITZERLAND FROM £95 RETURN

airtour swiss

01-706-3787

PARIS FROM £62.60 RETURN

airtour france

01-706-3787

CREDIT CARDS WELCOME ABTA 35724 ATOL 1708 IATA

DISCOUNT FARES

In

TRAVEL/MOTORING

Sharon says welcome. Sharon says beware of the mozzies and beware of the sun even when it's behind clouds. Sharon says, boys beware of the Greek police; they're well-armed, and prone to roughing up anyone suspected of causing "a bit of a ruck" in the local bars. Sharon says, girls beware of getting mad trapped in your bikini gussets. It's terribly embarrassing, Sharon says.

Sharon met me when I alighted on Corfu. She was wearing a generic navy time courier's two-piece, and the sort of white high heels that sound like rifle-fire across an airport floor. I was not expecting Sharon to be there, tickling myself and fellow passengers off a list and propelling us into a coach.

I had simply taken what I thought was a cheap flight to Corfu, with a week's bed and breakfast thrown in. My travel agent had told me nothing of Sharon, and nothing of the

Sharon and the satyr on the Greek postcard

Mud-wrestling on Corfu can be difficult to avoid. Nigel Spivey tells how he managed to give it a miss

gang of 18-to-30-year-olds billeted with me.

I had taken the package precisely to get away from that age-group: to escape teaching duties in order to finish a book, a finishing-off operation that demanded no more than being absent from one's usual haunts for a few days. This Corfu deal had seemed just what was needed.

Once delivered to our hotel, we teenagers were given a briefing. Here Sharon was wise about mosquitoes and police. Her clipboard promised a full programme of activities. Mostly these activities centred on the island's nightspots, but also on offer were assorted watersports and bouts of mud-wrestling, for which activity

the girls ought to guard well the gussets of their bikinis.

Mud-wrestling is a pastime that I have not indulged in since about the age of four, and I would probably enjoy it if I had the chance again. But I had to detach myself from this group. The specified age-range did not exclude me, but temperament certainly did, and there was a manuscript in my bag which was either going to be completed there in Corfu, or returned to the drawer where it had lain for the past 18 months. I tried to explain this to Sharon; and later I cajoled the hotel proprietor's wife into letting me have a room apart from my peers, with its own balcony decked in bongainvillaea.

The proprietor and his wife were a tolerant pair. They had a lot to be tolerant about. Their premises completely indulged the needs of British and Scandinavian youth. There was a bar which stayed open throughout the night, with non-stop music supplied, and a swimming pool which did not exclude me, but temperature certainly did, and there was a manuscript in my bag which was either going to be completed there in Corfu, or returned to the drawer where it had lain for the past 18 months. I tried to explain this to Sharon; and later I cajoled the hotel proprietor's wife into letting me have a room apart from my peers, with its own balcony decked in bongainvillaea.

Well, by mistake. Nevertheless, I got the work done. Greek cafés are easy places for sitting down, there is never any shortage of tables and chairs, and a goblet of ouzo at one's elbow does not impede the flow of words. I was disturbed. In so far as the nocturnal group saw anything of me, they probably thought me a terrible prig or bore.

What I saw of them mildly intrigued me. Girls preposterously dressed, but the boys made up in noise what they lacked in numbers. The girls had top-knots, the boys tattooed forearms. Both sexes seemed bent on drinking as much as possible. It is doubtless unnecessary to specify their preferred drink as lager.

Their search for the Good Time impressed me by its diligence. The place of our hotel was called Kontokali, though it shuddered at all hours to the beats emitted by the swimming pool bar, it was judged rather quiet. So the group set out for Corfu town, or for other locations along the coast which offered more noise and Good Time. The greatest excitement of the week was the live transmission of the FA Cup Final in a bar run by one of those sad, pot-bellied expatriates one finds in these resorts.

The local beaches were grey and populous: none of the group ever rummaged my hide-

through an olive grove. Grains of the earth's salt stay into Corfu town, to buy such comestibles as they cannot grow. Corfu town does have some shops in whose entrances coffee is temptingly roasted. But what strikes one most is that all the other shops sell rubbish, and remarkably homogeneous rubbish. Finding a postcard worth sending was a proper challenge.

Even the archaeological museum, which has plenty to boast about, including the earliest pedimental temple sculptures of Greece, proved fruitless. One vendor, being asked for something "archaeological," produced that hideous postcard of the bronze satyr sporting an equine erection, a postcard found all over Greece. Had I wanted it, it was even on sale at the 18-to-36 hotel. Sharon had drawn attention to the satyr. With a giggle, Sharon says that she rather fancies him.

These tribes, many of them tiny, are dying out. A 1987 video recording of the efforts of ethnologists to make contact with different tribes ended with a moving sequence as the expedition's off-shore boat was bombarded with 7 ft arrows by an angry swarm of dark figures prancing agitatedly on the white sand beach, knees bent, arms brandishing spears — a pathetic plea by a self-contained community for privacy and continued isolation.

Ten years like the last could see the disappearance of more than the tribesmen. As the hotel manager blandly assured me that the Andamanese had no pollution, behind him in the bay a large ship

described a circle discharging volumes of black rubbish. Here and there brown scum washes the gleaming coral beaches.

For the present, the timeless coral underworld and the bounteous fishlife continue their existence. This natural treasure house persists. One afternoon in the Fort Blair bay, silver fish were shoaling, flashing on the surface in a shimmering white mass larger than a playing field. Three opportunistic fish eagles dived, talons stretched out to strike, and took a fish each. By the time they had turned for another strike, the water was calm again.

Another factor in the strangely mixed reality of Andamanese existence is the proximity of some of the world's most primitive tribes. They constitute a fifth of the population. It is an odd reflection, sipping your drink on the balcony of the modernist Bay Island Hotel in Port Blair, to cast your eye northwards where, a few miles off, Stone Age aborigines are enjoying a repast of uncooked tubers.

Michael Wigand

Primitive calm

WHAT HAVE surgeons, butchers, cardinals, squirrels and damsels got in common? Answer: they are all found alongside cones, mitres, volutes, olives and turbos. The first group are tropical fish, along with anemones, angel-fish, groupers, puffers, snappers, sea horses, scorpaenfish and Neptune knows how many other marvels of shape and colourisation which are content to accommodate you in their underwater Shangri-La of the Andaman Islands, in the Indian Ocean.

The second category, reinforced by cowries, spider conches, clams, trochuses, nautilus, and Venus' combs, are some of the shells which form a weird and wonderful backdrop to the watchfully patrolling fishes.

As a novice to snorkelling, this sightseeing on the coral reef was a wildlife experience parallel to any. Older hands tell me that the Andaman reefs are as good as most alternatives.

I found the activity mesmerising, capable of exerting a drug-like hold, invading my dreams with pictures of that strangely soothing, silent, mys-

terious underworld. I also liked the simplicity of the basic equipment — goggles and flippers.

The charm of these tropical fish is partly that their wildly inventive shapes and colours never occur like this above water. For these are not the minute darting denizens of domestic fish tanks, although they were there too. These were wafer-thin yellow and black bodies trailing wavy fins and tails, hatched pink and yellow harlequins with imperturbable eyes, all-black oval fish in large schools parading one dazzling-white spot at the root of the tail. Nearer the surface huge parties of silver and green silvers of fish squirmed and swivelled as if coordinated by a master computer.

These were not the tropical fish with hideously jutting jaws, bulbous eyes and spines favoured by ghoulish museum chiefs. Each one was a model of grace and complicated beauty, often adorned with decorative sails and fins, fantastical yet elegant. Nor were they small. Only 12 ft down, salmon-size fish patterned in pink and grey flickered their little blue fins as they promenaded. Off the reef, although I

didn't see any, lurked the larger species — six types of shark, five barracudas, marlins and rays, four tunas and three swordfish.

The higgledy-piggledy bottom is an extraordinary landscape in itself. Seemingly, coral has encrusted the volcanic reef that fringes the archipelago of 300-odd land masses that compose the Andaman and Nicobar Islands. There is a multiplicity of growth forms. Smooth drums of coral resemble watchtowers hanging over the precipitous battlements which disappear into the misty blue depths.

There are luxurious bushes of dense antler-like branches. Fields of crisp little coral leaves in intricate forms pass below as you paddle overhead. The bottom itself is manifestly alive. Clams have wedged themselves into crev-

ices and, as your shadow passes, their curving mauve lips slowly close. Sausages of fat black seastings litter the floor, and there are sea cucumbers covered with stubby black arms. Occasionally a small eel or snake squiggles away.

For a week I visited new coastlines off South Andaman Island, the Cinque Islands, Jolly Buoy and Ross Island, and still there was little repetition in the coral heads or the fish around them. The potential scope for various underwater viewing around these ridge-backed, forested islands, stretching in a north-south axis for 1,000 km, is incalculable.

The coral reef inhabitants steer through their timeless routines oblivious of the arguments raging in India over the fate of the Andamanese. The islands have changed markedly. They are no longer an obscure tropical paradise. Immigration, and India's population explosion, have resulted in the population growing from 25,000 to 250,000 in a few decades. Patchy agriculture, deforestation and ribbon development of corrugated iron shacks give a nasty foreshadow of the future.

At present the islands are 86 sq km forest covered in many places by superb high canopy rainforest. These must be among the last untouched homogenous rainforests in the world. Aware of the fragility and rarity of this precious resource, the Government is prohibiting access to more and more of the Andamanese, while all of the Nicobarians are out of bounds. Five islands only remain accessible, although it is hard to discover which are open and at what times. Knowledge or accessible information about tree, plant, insect, reptile or bird type seems almost non-existent.

The Marine Museum boasted shelves of amorphous, bleached fishy shapes in jars of preservative-pale imitations of the reef's splendours. The moth-eaten Anthropology Museum's power supply spluttered out as we went in: the sad mini-zoo misidentified its sporadic inmates; and the Forest Museum might have been assembled by a play school class. Since the first colonists arrived in the 17th century, in the form of the Hindu warrior race of Mahattas, the wildlife picture has been complicated by random animal introductions — for example, all of the four deer species.

The Indian Government is now keen to limit further immigration, mindful of the

"A dirt farmer's view," thought that straw burning was so useful it should be compulsory. If it seemed inevitable that smoke would cross a road, then the road should be closed. (including the MI, I wonder?) One farming industry magazine commented, apparently seriously, that cars caused more damage than all the straw burning but nobody wanted to ban them. Another publication's column, appropriately named

strange activity. In spite of whatever farming's lunatic fringe has to say in support of the subject, there seems little doubt that Britain, like Denmark, Sweden and Switzerland, will eventually ban straw burning. Last year, the Council for Clean Air called for a five-year research programme, co-ordinated by the Ministry of Agriculture, to eliminate the need for burning crop residues by 1994. It was, it said, "a realistic and achievable goal."

MOTOR CARS

CLASSIC CARS



Porsche 1974 Carrera RSR streetvision, colour dark blue, perfect original restoration in show-room condition, 145,000 pounds. Only serious letters will be taken into consideration.

Write Box A1345, Financial Times, One Southwark Bridge, London SE1 9HL

1930 AUSTIN SEVEN TOURER

Very sweet runner. Used almost daily. Tax and M.O.T. An excellent introduction to Vintage motoring. Used for VSCC trials and rallies. £5,000.

Telephone 0787 310559 (Weekends/Evenings) 01-873 3362 (Office)

PORSCHE AUTHORISED DEALERS



SWINDON

Telephone 0793 615000

Telephone Sunday 0833 513340

SAAB AUTHORISED DEALERS



SAAB IN WARWICKSHIRE

offer prompt delivery of new Saabs and probably have the largest selection of used Saabs in the Midlands.

Lane Garage, Royal Leamington Spa, (0926) 422211.

HARTWELLS

1987 E-JAGUAR XJS
V12 CABRIOLET.
Bordeaux/Magnolia.
Full service history.
1 year Jaguar approved
14,900 miles. £25,950.
Hartwells, Belvoir Road,
Oxford OX2 0PR
Telephone: (0865) 244833

E-TYPE JAGUAR
ROADSTER
1969 4.2 L.H.D.
(FOR RESTORATION)
£20,000.00 O.N.O.
CHRISDEE CLASSICS
Telephone: 0893 232111 OFFICE
01 836 95529 OR 035255

MORGAN + 8 1982, hairy Alloy. All extra
mint. Ring (0227) 731067 or (071) 851393

MOTOR CAR ADVERTISING
appears every
Saturday in the
WEEKEND FT.

REACH THE RIGHT
READERS
by advertising now

Telephone
JONATHAN STANTON
01-573 3643/
01-407 5739

The answer, my friend, is blowin' in the wind

Stuart Marshall enters the debate on straw burning and the risk to road users

WHY SHOULD the agricultural industry be allowed to pollute the atmosphere and put road users at risk by straw burning? I asked this question a few weeks ago, having run into clouds of straw smoke drifting like fog across a crowded MI from nearby fields. Within days, 32 vehicles had piled-up in Oxfordshire in a smokescreen caused by straw burning alongside the A34.

There was a lot of reaction from readers from both sides of the fence.

To my surprise, some of the sternest critics of this environmentally damaging practice were themselves farmers. Among them was Anthony Rosen, of Fenix Farming, Eistedd, Surrey. A self-confessed "arch burner" for many years, he now feels that straw burning will have to be phased out completely in three years. (It is already banned in some countries, including Denmark, Sweden and Switzerland).

A good burn, he says, was worth

about £30 an acre. Banning burning would hurt farmers who could not plough straw in to the field, but it was a price the industry would have to pay, and a ban would encourage researchers into uses for straw or alternative means of getting rid of it.

One farming industry magazine commented, apparently seriously, that cars caused more damage than all the straw burning but nobody wanted to ban them. Another publication's column, appropriately named

"A dirt farmer's view," thought that straw burning was so useful it should be compulsory. If it seemed inevitable that smoke would cross a road, then the road should be closed. (including the MI, I wonder?)

David Cope, director of the UK Centre for Economic and Environmental Development, wrote that, in overall terms, pollution from straw burning was small beer compared with that caused by motor vehicles. But, as a local pollution issue, it was an unde-

rrable activity. In spite of whatever farming's lunatic fringe has to say in support of the subject, there seems little doubt that Britain, like Denmark, Sweden and Switzerland, will eventually ban straw burning. Last year, the Council for Clean Air called for a five-year research programme, co-ordinated by the Ministry of Agriculture, to eliminate the need for burning crop residues by 1994. It was, it said, "a realistic and achievable goal."

I have seen the Futura

ELECTRONIC sensors to keep vehicles safely apart on motorways have long been spoken of. Four-wheel steering to improve high-speed stability and low-speed manoeuvrability is here. The car that uses a combination of 4WS and electronics to park itself automatically? No, it is not science fiction, but an exhibit at the Frankfurt Motor Show, aptly named Volkswagen Futura.

With details of its position stored electronically, Futura will unpark itself, too. Normally it drives out in one go but it is able to nip and tuck forward and backward if necessary. If traffic approaches, the driver can put it on hold.

Futura is only a one-off but it is a masterpiece of clever and practical high technology. Futura runs on two VW Golf front axles — one at each end — and has automatic transmission, an electronic throttle, electric parking brake and electric power steering.

To park, a driver has only to stop ahead of, alongside or behind a space. Sensors have

based on the normal 1.7 litre VW diesel.

In conventional petrol injection engines the fuel goes into the inlet manifold. In the Futura the petrol is squirted directly into the cylinder, as fuel is in a direct-injection diesel. It is exceptionally lean-burn. A supercharger cranks in excess air which makes the

exhaust so clean that only a simple, almost everlasting, oxidation catalytic converter is needed to deal with hydrocarbon emissions.

Futura's features also include:

■ A body with large areas of special tinted glass that cuts head radiation by over 60 per cent

To compete with all this, the Japanese came up with some concept cars. Among them was an exceptionally wind-cheating but "useable-looking" Nissan UV-X four-door, long-wheelbase fastback with a new 16-valve engine. Toyota's preview of the fast car of the late 1990s — if we are still allowed to have such things — was the 4,500 GT, with a 40 valve (five per cylinder) V8 delivering 300 horsepower to the rear wheels through a six-speed gearbox.

There was, though, a mini-fleet of Japanese family cars making a Frankfurt debut. The new Honda Accord is a little longer and taller than before. It still looks a typical Honda and has a range of four engines from a 90 horsepower carbureted unit to a 150 horsepower fuel injected 2.2 litre.

Daihatsu weighed in with the oddly-named Applause. Rumour had it that this five-door hatchback, which looks exactly like a saloon with a boot, was to have been called Clapping. Then the Japanese remembered a little pronunciation problem.

Like the new Mitsubishi Lancers, which went on sale in Britain this week, the Applause is 16-valve engined and may be had with front or four-wheel drive.

Land Rover was delighted with the press day media swarm surrounding its first new vehicle for nearly 20 years, the Discovery, which has been the most looked-at British car at the Frankfurt show.

COUNTRY PROPERTY

Bernard Thorpe**SOMERSET - CURRY RIVEL**

An imposing stone built house with established Class C2 use extending to approximately 14,000 sq. ft.

Suitable as a hotel, nursing/retirement home or training centre (subject to the necessary consents).

7 main reception rooms, 16 bedrooms, 5 bathrooms

Stable block, flat, outbuildings, gymnasium, classroom block, Gardens and parklands

ABOUT 26 ACRES

Apply: 18-24 Saint George Street, LONDON W1A 2AR

Tel: 01-499 6933

GLoucestershire

Cheltenham 7 miles

Three freehold homes have been painstakingly re-created and are available within the 15 acre demesne of the former manor of Wrigfield in a delightful unspoilt rural location. Each property is fully equipped for modern living whilst individuality has been retained.

Excellence is the sole common feature.

A Bowacre project

Apply: 1 Queen's Circus, Cheltenham

Tel: (0242) 23822

Gloucestershire/Herefordshire Border

M50 8 miles.

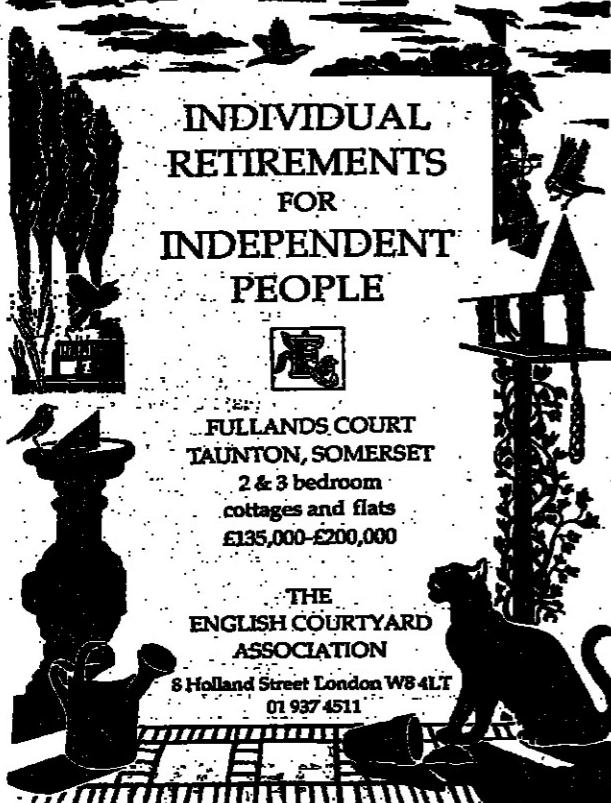
A former country parsonage recently rediscovered and renovated in an outstanding secluded location in the midst of a rolling rural landscape.

3 reception rooms, fitted kitchen, utility room, cloakroom; 4 bedrooms (one en-suite shower), 2 bathrooms, detached barn, gardens, copse, pool and land. About 34 acres in all.

OFFERS IN EXCESS OF £40,000

Apply: 1 Queen's Circus, Cheltenham

Tel: (0242) 23822

**John German****STAFFORDSHIRE NR. UTTOXETER**

Sited on the A50 at Dovestones, with excellent communications with Derby, Nottingham, Stoke on Trent and Stafford.

A DETACHED LODGE AND STABLE BLOCK together with TWO PADDOCKS and ADDITIONAL GARDEN LAND, and with the benefit of ONE SMALL INDUSTRIAL UNIT (vacant) and a LARGE UNIT (vacant).

A VERY VALUABLE PROPERTY.

Full details on request.

119 High St, Markeaton, Wirksworth DE2 1LZ

Tel: (0673) 55755

RENTALS**CHELSEA - FLOOD STREET****LARGE MODERN TOWN HOUSE**

Available now for 18 months, atmospheric and fully furnished to highest standards. 5/6 bedrooms, 3 reception rooms, 4 bathrooms, kitchen, integral garage, full security system. Ready for immediate occupation. Attractive rent.

Write Box A1350, Financial Times, One Southwark Bridge, London SE1 9HL.

PAKE VILLAGE EAST NORFOLK detached 3 bed, 2 bath, 2 acres, 100 years cr. Victorian Villa with large garden & garage. 4% net lease, current rent £15,000 p.a. Price £125,000. Offers. Harrods Estate Offices 01-462 3865

MORTGAGES**FAIRBANKS****FINANCIAL****MORTGAGES/REMORTGAGES**

ARE YOU
AWARE THAT THERE IS
FOREIGN INTEREST IN
YOUR MORTGAGE?

- * ECU loans at 10% fixed
- * Deutschmark loans at 9.25%*
- * Sw. Franc loans at 9.75%*

MULTI CURRENCY FACILITIES ALSO AVAILABLE

* Rates correct at time of going to Press

If you would like further information on any of the above please call

01-385 5544

Licensed Credit Brokers. Open 6 days a week.
Monday - Friday 9am - 7pm Saturday 10am - 2pm

Appointed Representative of Sun Alliance Life.

Member of LAUTRO and IMRO.

**RENTALS**

WARREN STREET, LONDON W1. Attractive one bedroom flat in quiet mews. Available immediately. Fully furnished & equipped. Easy access to City & West End. Rent £1,000 per week. Merton & Herring 01-581 0154

FRENCH BANK RECRUITS. High quality properties to rent. Call Domina 01-581 0154.

PRIDENTIAL

BERKSHIRE - ASHFORD

A highly prestigious development of 11 luxuriously appointed Regency style apartments by Pridential Developments in a delightful situation

2,3 or 4 bedrooms each with an en-suite bathroom or shower; 2 receptions, lifts, balcony parking, 2 acres.

3 APARTMENTS REMAINING

Prices from £220,000 to £265,000

FULLY FURNISHED SHOW APARTMENT OPEN WEEKENDS

ASCOOT OFFICE (0895) 25222



BERKSHIRE - SUNNINGDALE

A most imposing detached family house, newly decorated, and thoughtfully planned throughout, situated on about two-thirds of an acre.

4 large bedrooms, 2 bathrooms, reception hall, cloakroom, 3 reception rooms, kitchen & utility, double garage.

Offers In Excess of £350,000

ASCOOT OFFICE (0895) 25222

Over 800 offices throughout the country

STRUTT & PARKER

01-629 7282

LINCOLNSHIRE - SWAYFIELD

Grantham 11 miles (HST to King's Cross about 1 hour) Stamford 11 miles

A traditional farmhouse in need of renovation in an elevated position, with fine views across countryside

3 reception rooms, breakfast kitchen, 5 bedrooms and bathroom.

Garage and outbuildings. Garden and orchard.

About 0.6 acres

£25,000

Additional land available by separate negotiation.

Grantham Office: 12 London Road Tel: (0476) 55886 (Ref: 4AB/5057)

LINCOLNSHIRE - SCREMBY

Spilsby 3 miles, Skegness 10 miles, Lincoln 33 miles

A charming, Grade II Listed, Georgian country house situated on an elevated site in a rural area on the edge of the reservoir, Lincolshire Woods.

Entrance hall, 2 reception rooms, master suite of bedroom and bathroom, 4 further bedrooms, playroom and second bathroom.

Oil fired central heating.

Secluded gardens and grounds.

About 1/2 of an acre

£195,000.

Joint Agent: William H. Brown, Skegness 68311

Grantham Office: 12 London Road Tel: (0476) 55886 (Ref: 4AB/5056)

BRODIES

EDINBURGH, NEW TOWN

9 Forres Street

A SUPERB GEORGIAN DOUBLE UPPER FLAT IN THE HEART OF EDINBURGH.

Centrally situated in this distinguished street between Moray Place and Charlotte Square.

Beautifully fitted and decorated in a fully renovated building.

Hall with open staircase, 5 spacious Drawing Room, Dining Room, fully equipped luxury Kitchen, Cloakroom, 3 Double Bedrooms, Playroom, Gas Fired central heating, Zone 1A parking.

Access to Moray Place Gardens.

Offers over £160,000.

Joint Agent: William H. Brown, Skegness 68311

Grantham Office: 12 London Road Tel: (0476) 55886 (Ref: 4AB/5056)

SOUTH BUCKS 3.7 ACRES

Residential building land, prestigious site for 12 quality dwellings. For sale by tender 26th October, 1989.

RAFFETY BUCKLAND LAND AND NEW HOMES

P.O. Box 1, 1 Crandon Street,

High Wycombe, Bucks HP13 6LE

Telephone: (0494) 21234 Fax: (0494) 436362 REF HMH/NS

BLACK HORSE AGENCIES

Gascoigne-Peas

70 High Street, Haslemere, Surrey

Tel: (0372) 61363

GRAYSWELL, HASLEMERE, SURREY

A SPACIOUS 4 BEDROOM, 2 BATHROOM, MODERN FAMILY HOME

PRESENTED IN EXCELLENT ORDER THROUGHOUT AND BACKING ON TO FARMLAND DRAWING ROOM, DINING ROOM, CLOAKROOM, STUDY, LARGE GARDEN GARAGE

A REAL BARGAIN ***REALISTICALLY PRICED AT £210,000***

West Sussex & Poole

CLIFF TOP PENTHOUSE

On private estate with direct access to beach. Interior designed, 3 double bedrooms all en-suite. London only 97 minutes. £295,000

PH: 0202-764762

BOURNEMOUTH/POOLE

CLIFF TOP PENTHOUSE

On private estate with direct access to beach. Interior designed, 3 double bedrooms all en-suite. London only 97 minutes. £295,000

PH: 0202-764762

Humberstone

West Sussex & Poole

CLIFF TOP PENTHOUSE

On private estate with direct access to beach. Interior designed, 3 double bedrooms all en-suite. London only 97 minutes. £295,000

PH: 0202-764762

CHRISTCHURCH : DORSET

THE COTTAGE OF MUDEFORD

A fascinating, Grade II Listed single storey watercote house with breath taking sea views.

Built by a Poet in the fourteenth century, the house is in the shape of two semi circular wings. Two reception rooms. Three bedrooms.

Two bathrooms. Superb kitchen, dining room, lounge, conservatory, sunroom, heated garden, 255 ft sea and road frontage.

A small, elegant, unique marine property which is rare elsewhere in England. Grade II* Listed. £25,000.

Brochure Tel 0425 275189

CHRISTCHURCH : DORSET

105 Acres Arable Land

of particular interest to roll-over farmers.

Freehold for sale at

£210,000

with Vendor guaranteeing income for 5 years and re-purchase clause.

Details from:

Tisbury Office: (0722) 502264

Cheltenham Office: (0242) 512439

Humberstone

West Sussex & Poole

CLIFF TOP PENTHOUSE

On private estate with direct access to beach. Interior designed, 3 double bedrooms all en-suite. London only 97 minutes. £295,000

PH: 0202-764762

Humberstone

West Sussex & Poole

CLIFF TOP PENTHOUSE

On private



Jackson-Stops & Staff

Nineteen offices throughout the United Kingdom. Head office: 14 Curzon Street, London W1Y 7FH. Telephone: 01-499 6291.



Surrey Limpstield
Georgian style village house in quiet village setting, well appointed and beautifully decorated.
5 reception rooms, 5 bedrooms, 3 bathrooms, kitchen, breakfast room, garage, garden. In all about 0.5 acre.
Apply: Mayfair. Tel: 01-499 6291.
Joint Agents: Payne & Co. Tel: (0833) 712261.



Sussex, 22 acres Turners Hill
Beautifully appointed house with outstanding views across the Sussex Weald.
Main house: 5 reception rooms, 7 bedrooms, 4 bathrooms. Separate cottage wing. Stabling, outbuildings, heated swimming pool and magnificent grounds.
Apply: Mayfair. Tel: 01-499 6291.



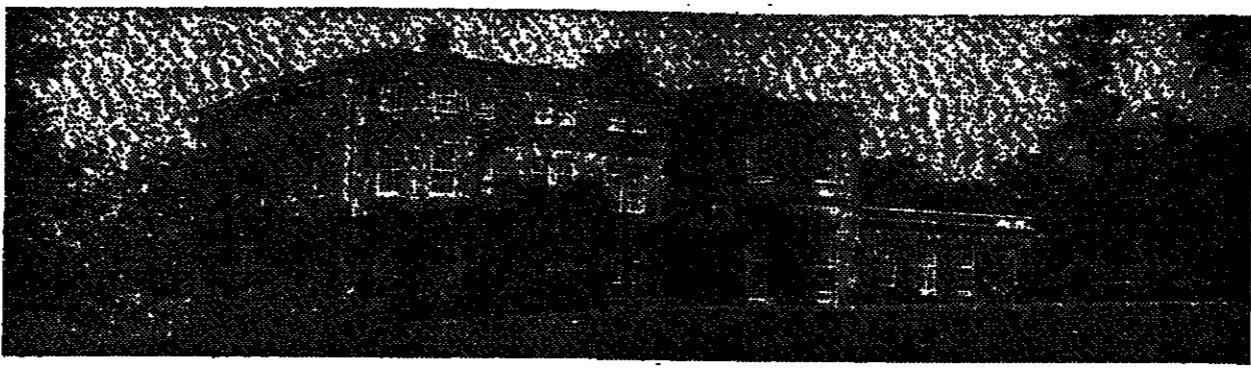
West Sussex, 7.5 acres
Rusper 1 mile.
Beautifully restored 16th century country house. Listed Grade II.
Main house: 5 reception rooms, 5 bedrooms, 2 bathrooms. Self-contained cottage wing. Outbuildings, swimming pool, tennis court and attractive grounds.
Apply: Mayfair. Tel: 01-499 6291.



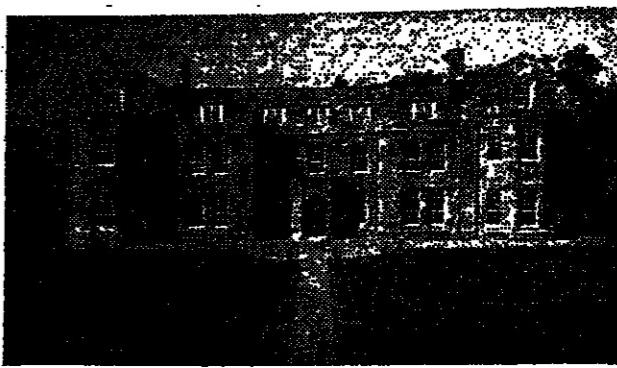
Gloucestershire/Cotswolds, 7 acres
Outstanding 17th century country house in a beautiful location.
4 principal reception rooms, superb kitchen, 6 bedrooms, 2 dressing rooms, 6 bathrooms en suite, 3 secondary bedrooms and bathroom. Indoor pool and sauna, staff flat, delightful gardens, hard tennis court, 3 paddocks, loose boxes.
Apply: Chipping Campden. Tel: (0865) 840224.



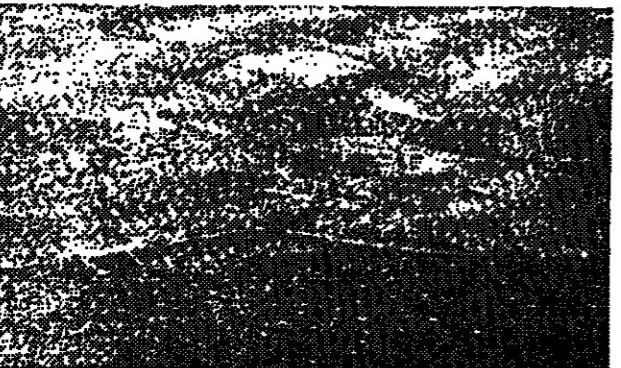
Cheshire, 27 acres
An outstanding Grade II Manor House in a parkland setting with views over its 9 acre lake to the Derbyshire Hills. Also Lordship of the Manor of North Rode.
3/4 reception rooms, indoor swimming pool, 5 bedroom suites, 2 cottages, stable block, tennis court, gardens and paddocks. (Ref. 2232)
Apply: Chester. Tel: (0244) 328361.



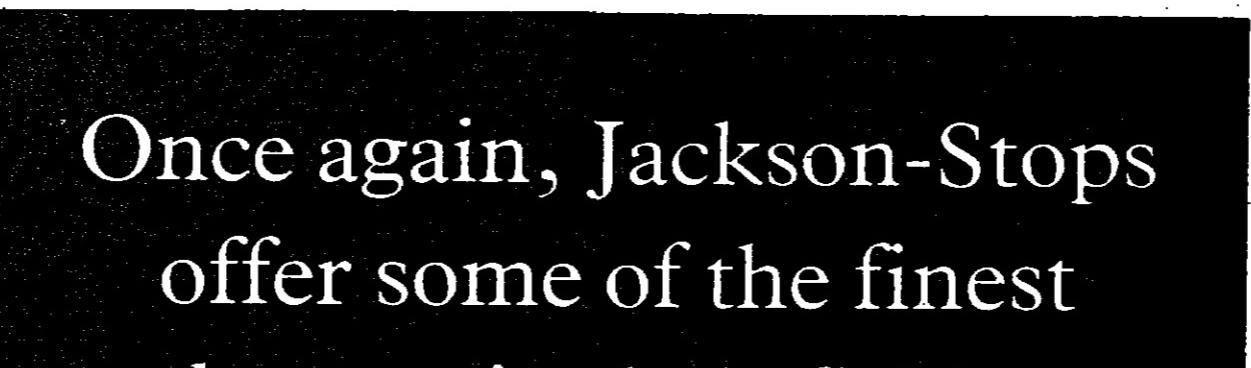
Newick Park Estate, Sussex, 253 acres
A fine Georgian Country House and gardens in a parkland setting. Listed Grade II. Far reaching views to the South Downs.
Principal house with 5 spacious reception rooms, 20 bedrooms and 10 bathrooms, private sitting rooms and domestic offices. 3 cottages, extensive outbuildings and traditional farm buildings. Magnificent gardens, parkland and farmland.



Northamptonshire Near Northampton
ECTON HALL. A superb Gothic Revival Mansion, restored to 12 outstanding apartments with 2, 3 and 4 bedrooms. Also 2 houses converted from the outbuildings and 3 and 4 bedroomed courtyard cottages. Apartments from £115,000. Cottages from £152,500.
Apply: Northampton. Tel: (0604) 32391.
Joint Agents: Fisher Hogarth. Tel: (0858) 410200.



Devon, South Hams
Dirisham Court is the development of a Listed Grade II manor house and its stables, situated in one of the most beautiful setting villages within Devon. The cottages and houses have 2, 3 or 4 bedrooms and have been developed by Downland Homes Ltd.
Apply: Sales Office (Open Fri-Mon) or Tel: (080422) 470.
Exeter. Tel: (0392) 214222.



Once again, Jackson-Stops offer some of the finest houses in their fields.



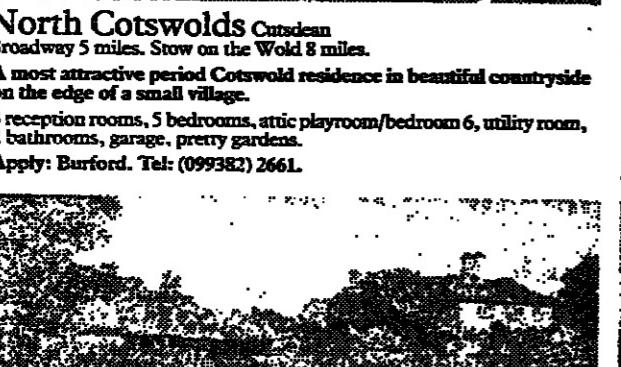
Devon, 22 acres south Molton
Superb small estate with country house, parkland and equestrian centre.
8 bedroomed house, coach house with two self-contained flats and garage, 48 foot swimming pool, tennis court, 160 foot covered canopy, 15 stables, extensive parking.
Apply: Exeter. Tel: (0392) 214222.



North Yorkshire, 24 acres
Skelton 3 miles. Middleham 7 miles. A19 12 miles.
Lambeth Hall, Great Ayton. An exceptional country house. Listed Grade II, in a parkland setting with lovely formal gardens, ornamental pond and contemporary coach house.



Apply: Darlington. Tel: (0325) 459948.



Chelsea, London SW3
Charles II Place is an award winning development of 50 new freehold houses reached by private access from the Kings Road.
Sales Office: Open Mon - Fri (11am - 5pm).
Weekends by appointment. Tel: 01-581 9151.

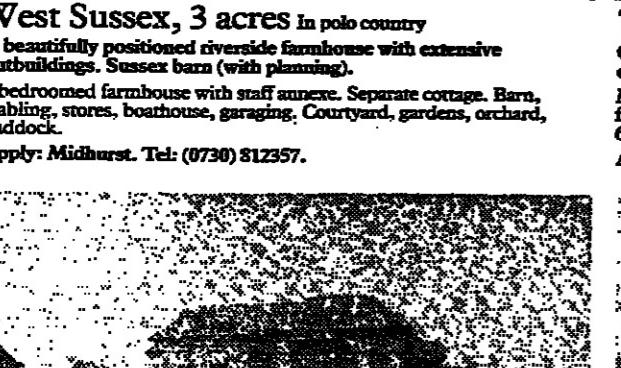
Joint Agents: Jackson-Stops & Staff. Tel: 01-581 5402. Allsop & Co. Tel: 01-584 6106. Hainfields Residential. Tel: 01-935 0190.



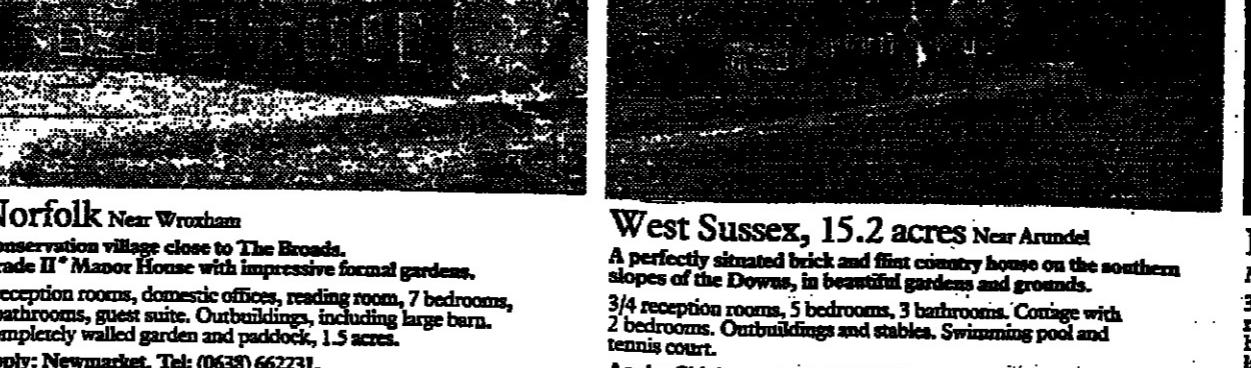
The Saxlingham Estate, 767 acres
Commercial and residential farm with excellent sporting opportunities near Norwich.
Modernised Listed Grade II farmhouse and three other houses. Modern farm buildings including extensive grain storage, approximately 682 acres of arable land and 62 acres of woodland.
Price guide: £785,000.
Apply: Mayfair. Tel: 01-499 6291 or Newmarket. Tel: (0638) 662231.



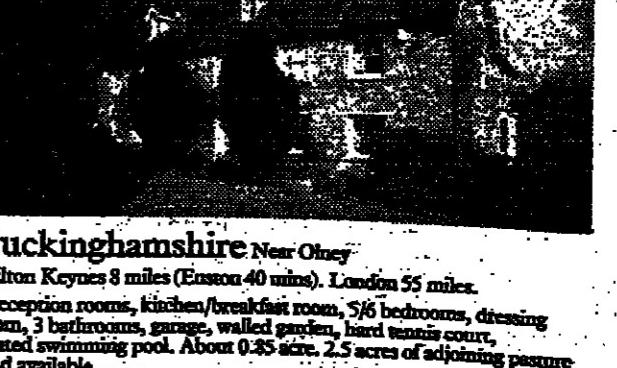
Cotswolds, 11 acres Brimpsfield
A superb 17th century Manor House, in a very pretty village.
4 reception rooms, 6 bedrooms, 3 bathrooms. Staff flat. Stone barn and other outbuildings, garaging, walled garden, paddocks, lake and site of Medieval Castle.
Price guide: £785,000.
Apply: Gloucester. Tel: (0285) 653334.



West Sussex, 3 acres in polo country
A beautifully positioned riverside farmhouse with extensive outbuildings. Sussex barn (with planning).
5 bedroomed farmhouse with staff annexe. Separate cottage. Barn, workshop, stores, outhouse, garage. Courtyard, gardens, orchard, paddocks.
Apply: Midhurst. Tel: (0730) 812357.



Norfolk Near Wroxham
Conservation village close to The Broads.
Grade II* Manor House with impressive formal gardens.
5 reception rooms, domestic offices, reading room, 7 bedrooms, 2 bathrooms, guest suite. Outbuildings including large barn. Completely walled garden and paddock, 1.5 acres.
Apply: Newmarket. Tel: (0638) 662231.



West Sussex, 15.2 acres Near Arundel
A perfectly situated brick and flint country house on the southern slopes of the Dales, in beautiful gardens and grounds.
3 1/2 reception rooms, 5 bedrooms, 3 bathrooms. Garage with 2 bedrooms. Outbuildings and stables. Swimming pool and tennis court.
Apply: Chichester. Tel: (0243) 796316.

West Sussex The City of Chichester
Attractive apartments close to City Centre.
The 6 remaining are all furnished to highest specifications and include fitted carpets and kitchens, 2 bathrooms and lift. Many with views of Chichester Cathedral. Private parking.
Show Apartment: open 7 days.
Apply: Chichester. Tel: (0243) 786316.

For further information speak to our staff this weekend.

Buckinghamshire Near Olney
Milton Keynes 8 miles (Eurostar 40 mins), London 55 miles.
3 reception rooms, kitchen/breakfast room, 5/6 bedrooms, dressing room, 3 bathrooms, garage, walled garden, hard tennis court, heated swimming pool. About 0.43 acre, 2.5 acres of adjoining pasture land available.
Apply: Northampton. Tel: (0604) 32391.

HOTELS

HAMPTONS INTERNATIONAL

PRIME FORCE IN EUROPEAN PROPERTY



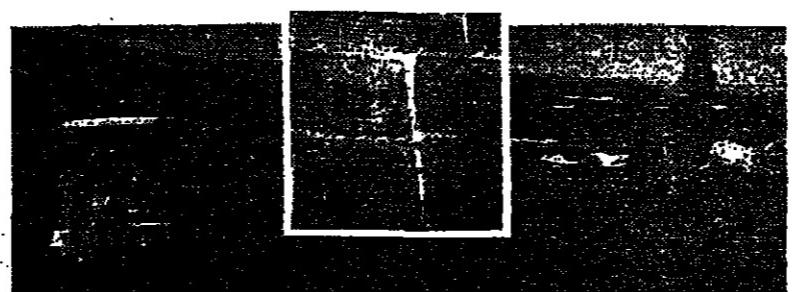
Just another day

Days at Marina del Este are never dull; this idyllic Garden Estate in the Mediterranean, with its country club, swimming pools, restaurants and shops offers every form of relaxation you could wish for.

Just 1½ hours east of Malaga airport, beyond Nerja, Marina del Este comprises luxury waterfront 2-3 bedroom apartments and penthouses from £90,000.

For more information, contact Amanda Sutcliffe on 01-493 8222.

Marina del Este



Designed by Robert Trent Jones, 18-hole Golf Course in Duquesa is acclaimed to be one of the 10 best on the Costa del Sol.

Great greens under clear blue skies.

Endless golf, endless sun-shine. Jardines del Golf on which this great ideal has been built. And the result is magnificent.

56 beautifully finished andalucian style houses overlooking the 10th fairway of the glorious Golf Course la Duquesa and the blue Mediterranean beyond. Just a stroll away is the traditional and fashionable harbour of Puerto la Duquesa, which is also a centre for watersports of every kind.

The Golf Club's attractions

JARDINES DEL GOLF

include superb tennis courts, bowling greens, indoor and outdoor swimming pools and a whole range of health fitness and social facilities. The 3-bedroom houses at Jardines del Golf all have balconies, patios, garages and every modern luxury.

Prices start at £140,000.

To find out more about this golfing opportunity, which involves free membership of the Golf and Country Club, contact Sarah Coombes on 01-493 8222.



SPAIN

GUADALMINA

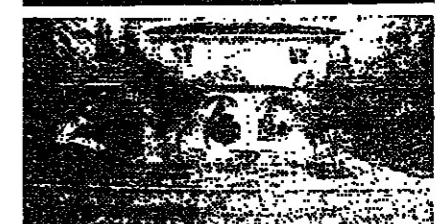
For the golf enthusiast, located west of Puerto Banus on this established golfing estate. Offering detached villas situated around the mature 18 hole golf course with beach access and 5 star hotel facilities.

2 storey, 4 bedrooms/3 bathroom detached villas set within mature secluded gardens with garage and pool. Private entrance to fairway. £425,000. (Ref: V4/2152/W).

MARBELLA CLUB

Situated in the most prestigious area between Marbella and Puerto Banus, the property lies within the grounds of the famous Marbella Club with its exclusive facilities.

Charming 3 bedroom detached residence, beautifully maintained. Guest quarters and pool. £100,000. (Ref: V3/396/W).



LA CAROLINA, MARBELLA

Single story 4 bedroom detached villa. Situated west of Marbella. Manicured gardens and pool. Highly recommended with potential to extend. £185,000.

Hamptons International currently hold over 100 on sale detached homes within the Marbella area. Costal del Sol.

3 bedroom villas from £100,000.

For brochures and viewings contact Hamptons International 01-493 8222.

THE VIEW THAT INSPIRED ENGLISH TRADERS IN THE 1800'S IS STILL AN INSPIRATION TODAY.

Madeira is a place of tranquillity and beautiful views. Today, some 400 years after those first English traders arrived, there is a rare opportunity for the English to return again.

Reids Gardens is an elegant development of spacious apartments and houses, built in the gardens of Funchal's world-famous Reids Hotel. Reids Gardens faithfully recreates all the values that first drew visitors to Madeira.

The level of finish in each property is of the highest standard and the facilities available are unsurpassed.

The views today are as inspirational as they were in the 1800's, the prices however are a little higher... from £120,000.



Contact Hamptons International 01-493 8222

Italy-Umbria

PERUGIA 25kms

A beautifully restored medieval property cleverly modernised to provide five spacious apartments. Swimming pool. Tennis court. Ten hectares of parkland.

Prices from £120,000.



For further information please contact Philippa Green, Hamptons International, 01-493 8222

PERUGIA 25kms

Six large individual farmhouses requiring restoration, each with gardens of one hectare. Shared swimming pool and tennis court.

Prices from £75,500.

Portugal Malveira Da Serra Cascais

An exclusive development of 3 and 4 bedroom houses.

- 29km from Lisbon
- 1/2 hour drive from Lisbon airport
- Easy access to the beach, Golf courses, windsurfing, sailing and scuba diving etc.
- Gardens, garages and swimming pools.
- Built to very high specifications.

Priced from approximately £94,000 - £150,000

Contact Hamptons International Tel: 01-493 8222.

PORT

Sun, sea, sand, ski...

Set in an ideal location on the coast, yet less than one and a half hours' drive from the Pyrenees, is this superb marina development.

We are offering a selection of studio, one and two bedroom apartments, with Phase One complete and Phase Two due for delivery in July 1990.

- 800 berth marina
- Excellent watersports
- Award winning beach
- Full management service
- Initial guaranteed 5% rental return
- Furnishing package
- Numerous shops and restaurants
- Freehold prices ranging from £38,000 to £120,000

Port Argelès is easily reached by direct flights from London to Perpignan, Montpellier and Barcelona.

For further information on any aspect of Port Argelès or financing a purchase to marina berth creation, please contact Caroline Peal on 01-493 8222.

ARGELÈS

An excellent opportunity in Portugal

Western Algarve

- E2 Prime Coastal Developments
- Full management and letting services
- Superb sporting facilities
- 1/2 and 3 Bedroom Cottages and Apartments with sea views

- PRICES FROM £38,000 TO £80,000
- Wide selection of new and re-sale villas also available

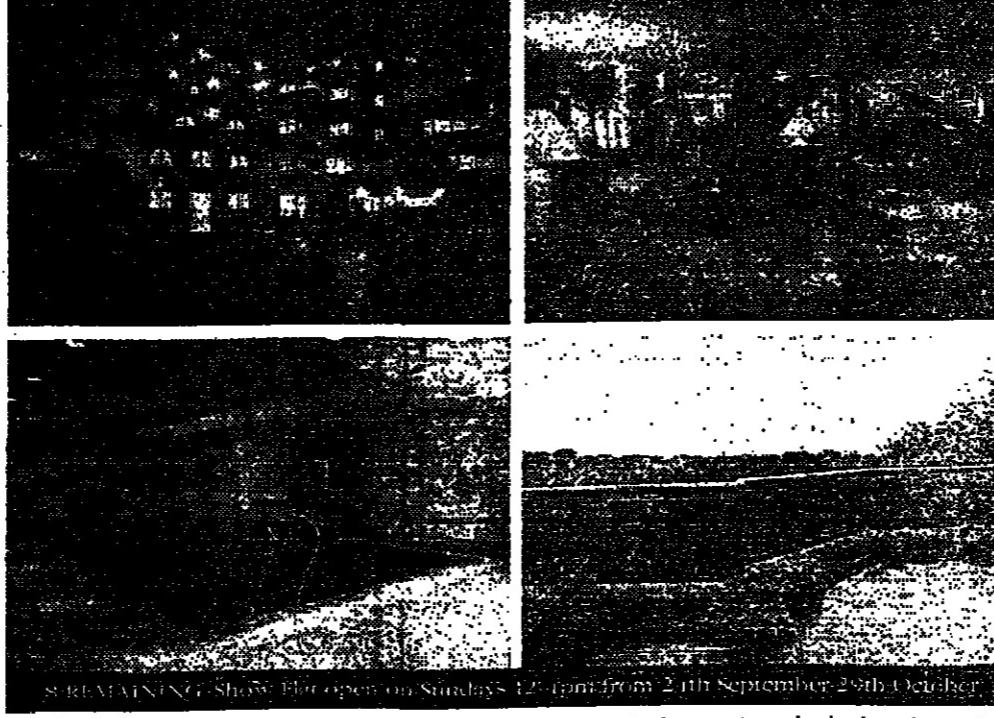
Contact Hamptons International Tel: 01-493 8222.

HAMPTONS

MOVE UP TO THE FINEST NEW APARTMENTS IN THE COUNTRY

The finest new apartments in the country is no idle boast. Heath Park Gardens is a landmark in contemporary residential architecture. Comprising exceptionally spacious 4-5 bedroom apartments, duplexes and penthouses, giving stunning views over Hampstead Heath. We believe the quality of finish is of the highest standard ever achieved in the UK, creating an unsurpassed combination of elegance, style and luxury.

999 Year Leaseholds



OPENING SHOW FLAT OPEN ON SUNDAYS 12.00-1.00pm 2-10pm 2-11pm 2-12pm

To arrange a private viewing or receive a colour brochure please contact ...

Heath Park Gardens

HAMPTONS
RESIDENTIAL DEVELOPMENTS
PRIME FORCE IN PROPERTY
21 Heath Street, Hampstead NW3 1YB
Tel: 01-794 8222/2253. Fax: 01-493 9796

A festival of property.



THE HAMPTONS MAGAZINE

In association with Traditional Homes

The winter issue of the Hamptons Magazine, a guide to London, country and overseas properties, is now available free of charge from our head office at 6 Arlington Street, London SW1, any of our offices throughout the UK, or by telephoning 01-493 8222.

STRUTT & PARKER

13 HILL STREET BERKELEY SQUARE
LONDON W1X 8DL
01-629 7282



SURREY - Wanborough. Guildford 5 miles, London 35 miles (Waterloo 36 minutes). An attractive former cast house set in beautiful landscaped gardens and grounds in small hamlet. Hall, 2 reception rooms, study, kitchen/breakfast room, conservatory, 6 bedrooms, 3 bathrooms. Tennis court, heated swimming pool, 4 car garaging. Landscaped gardens, grounds and paddock. About 3 1/4 acres. Excess £550,000.

London Office: Tel: 01-629 7282.

Ref. 1A010877.

BERKSHIRE - Blinfield. Twyford 3½ miles. An attractive Grade II listed Georgian coachhouse adjoining wooded farmland. 2 fine receptions, study, kitchen/breakfast room, master bedroom/bathroom suite, 3 further bedrooms & 2 bathrooms. Guest cottage. Self-contained staff accommodation 6 loose boxes, tack room & barn. Swimming pool (Heated) & all-weather tennis court. Double garage, gardens & paddocks. About 10 acres.

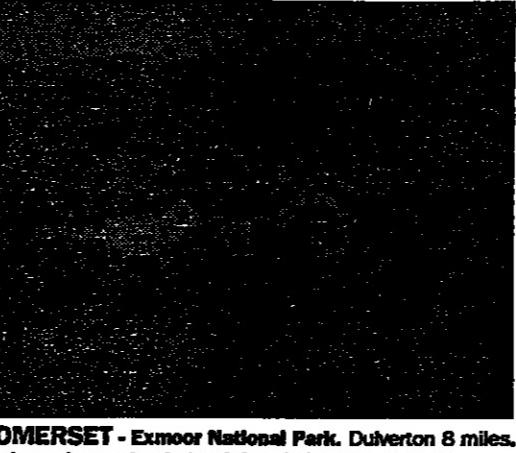
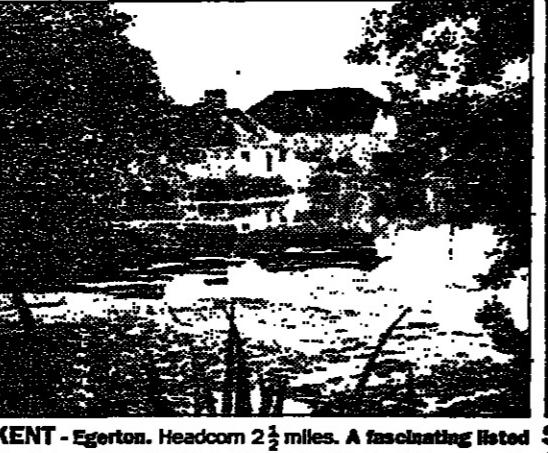
London Office: Tel: 01-629 7282.

Ref. 1A011285.

SUSSEX - Worsley. Horsham 7 miles, A23 2 miles, Haywards Heath 7 miles. An extremely spacious country house extending to a gross floor area of 6305 sq ft and offering excellent potential for a number of different uses subject to planning approval. 7 reception rooms, 8 bedrooms, 4 bathrooms, 2 shower rooms. Domestic quarters, garaging. About 3 ½ acres.

Lewes Office: Tel: (0273) 475411.

Ref. 6AC4456.



KENT - High Halden. Tenterden 4 miles, Headcorn 8 miles (Charing Cross 60 minutes), Ashford 8 miles. A converted coach house circa 1840 set in the heart of the Kent countryside. Drawing room, dining room, study, 3 bedrooms, bathroom, shower room. Oil fired central heating. Double garage. About 1 acre. Region £280,000.

Canterbury Office: Tel: (0227) 451123.

Ref. ECD3195.

KENT - Egerton. Headcorn 2½ miles. A fascinating listed Kentish watermill with adjoining working mill house and ragstone barn. Field Mill - Conservatory, hall, drawing room, dining room, kitchen/breakfast room, 4 bedrooms (1 with ensuite cloakroom), bathroom. The Mill House - Wheel room, cloakroom, utility room/generator mill room, second floor store room. Ragstone barn on 2 levels, Waterside garden, mill pond, island and paddock. About 7 acres. Region £475,000.

Canterbury office: Tel: (0227) 451123.

Ref. 6AC2875.

SOMERSET - Exmoor National Park. Dulverton 8 miles. An imposing and substantial period house of great character occupying a magnificent and completely private setting. 3 receptions, garden room, master suite of bedroom, dressing & bathroom, 6 further bedrooms, 2 bathrooms, 2 shower rooms. Hard tennis court. Courtyard with stabling, garaging, barn. Gardens, paddocks & woodland. About 70 acres. Region £675,000.

Joint Agents: Stags, Dulverton. Tel: (0986) 23174.

Strutt & Parker Taunton Office: Tel: (0823) 77261.

Ref. 1A018304.



HAMPSHIRE - Winchester 7 miles, M27 (J5) 2 miles. River Itchen - The Lower Bishopton Fishery. An important Southern Salmon Fishery. 830 yards double and 250 yards single bank - River Itchen. 130 yards single bank - River Barton. 5 year average 28 salmon. For sale by auction (unless previously sold). Auctioneers: Strutt & Parker

London Office: Tel: 01-629 7282.

Salisbury Office: Tel: (0722) 26741.

Ref. 7B8557.

DEVON - Kingsbridge 8 miles. An excellent holiday business and country house in a popular area with superb views over Start Bay. House dating from the 16th century with 3 reception rooms, 7 bedrooms, 2 bathrooms, 2 shower rooms, 5 bedroomed hotel. 3 high quality holiday cottages. Swimming pool, gardens, paddocks, woodland. About 11 acres. Region £700,000.

Exeter Office: Tel: (0392) 215631.

Ref. 1A017532.

KENT - Stallsfield Green. Ashford 8 miles, Canterbury 14 miles. A pretty Grade II listed country house set in an area of outstanding natural beauty. Drawing room, dining room, sitting room/sun room, kitchen/breakfast room, 4 bedrooms, 2 bathrooms. Oil fired central heating. Double garage. Garden shed. Large garden. About 2 acres. Region £275,000.

Canterbury office: Tel: (0227) 451123.

Ref. 6AC05192.

CLUTTONS

AYRSHIRE BEITH

Glasgow 20 miles, M8 11 miles, Glasgow Airport 15 minutes. An historic Scottish castle dating from the 16th Century with later additions, set in its own policies.

Entrance hall, drawing room, dining room, sitting room, Tower study, library, 9 bedrooms, 3 bathrooms, dungeon, cellars, self-contained basement flat.

Garage and outbuildings.

Garden, wooded policies, shooting.

In all 37 Acres
Edinburgh office,
Tel: (031) 225 8602

OXFORDSHIRE LANGFORD

Oxford 24 miles, Swindon 16 miles

A substantial Grade II Listed farmhouse requiring some modernisation.

3 reception rooms, 6 bedrooms, bathroom, attic rooms, cellarage, domestic offices.

Outbuildings. Gardens and paddock.

About 5 Acres

Oxford Office, Tel: (0865) 246611
and London Office, Tel: 01 499 4155

PRUDENTIAL

Property Services



SURREY

Godalming (Weybridge 45 minutes) - 3 miles. An imposing country house and lodge suitable for a variety of institutional or residential uses.

House with 3 reception rooms, kitchen, scullery, staff-room, basement, 24 rooms, 5 bathrooms, washrooms, and 10 WC's on 3 floors with a lift providing a floor area of over 15,000 sq ft. Detached laundry house with 4 rooms. Lodge with 2 reception rooms, kitchen, utility, 2 bedrooms, bathroom.

MAIN HOUSE: Offers invited in excess of £200,000
LODGE: Offers invited in the region of £200,000
GODALMING OFFICE: (0865) 6121

OVER 800 OFFICES THROUGHOUT THE COUNTRY

RENTALS

BRUCE

& PARTNERS

ARE YOU LOOKING FOR A RENTAL PROPERTY IN CENTRAL LONDON?

We have a large selection of property, from family houses to one bedroom flats, furnished and unfurnished, short and long lets, in every price range.

PLEASE CONTACT MANDY POWELL OR KATE EARLE ON 01-937 9684

ST. JAMES HOUSE, 13 KENSINGTON SQUARE, LONDON W8 5HD
01-937 9647 937 9684 Fax 01-938 4291

LONDON PROPERTY

STRUTT & PARKER

66 Sloane Street
London SW1 9SH
01-235 9959

6 Upper John Street, London W1
a development of 14 luxury apartments in the heart of the West End.



A selection of studio, one and two bedroom flats each with underground parking space and full amenities.

New leases of 125 years.

Prices from £160,000-£400,000.

Open daily from 11am - 6pm

INTERNATIONAL PROPERTY

ANDRE LANAUVE & Co

SEINE MARITIME



CHATEAU DE MINERVY
Chateau near Fécamp. In stone, 19th century chateau, good condition, 10 bedrooms, 10 bathrooms, 2 dining rooms, fully fitted kitchen and library. 6 outbuildings, 6 other beds, sauna and w.c. Outbuildings: 4 rooms, stable and garage for 3 cars. Sit in 10 acres of land with beautiful views over the surrounding countryside.
Surface area: 4,000 m²
This is an example from the wide range of properties of French properties ranging from £20,000 for a cottage to amounts to £2,000,000 and more for Chateaux.

9 Old Bond Street London W1X 3TA Tel: 01-499 6287 Fax 01-493 5329

COUNTRY PROPERTY

THE SPANISH HILL OF DISTINCTION

IN HISTORIC OLD PORTSMOUTH

The Inner Hamble, in the heart of the conservation area, provides the perfect setting for King James' Gate, the highly acclaimed waterfront village in historic Old Portsmouth.

The first phase of this development, offering just 2 apartments and 18 three and four bedroom houses, is being built along Price Quay and Broad Street, all to the most exacting and sympathetic standards.

King James' Gate provides a rare chance

to acquire quality accommodation in a unique maritime environment, whilst enjoying the opportunity for priority moorings.

For a copy of the brochure or for more information please call Pat Spencer at the Sales Office on 0705 827973 between 10.30am-5.30pm Monday-Sunday. She will also be pleased to arrange a personal tour of the site and Show House.

a development by

Sindall

SAVILLS

INTERNATIONAL PROPERTY

THE SPANISH ACQUISITION

Andalucia Hill is a truly remarkable all under the experienced management of Sheraton Hotels.

Overlooking the sophisticated resort centre of Marbella it is being hailed as the most complete Country and Racquet Club in the world. Apart from its impressive court complex, created by the ITA's own Official Architects, Andalucia Hill provides the last word in on-site amenities,

Overseas House, 5 Broadway Court
Cheltenham, Glos GL5 1DZ
Tel: 01247 70779

SAVILLS

HOMES OVERSEAS ADVERTISING

appears every Saturday in the Weekend FT.

For more information call
Clive Booth on 01-873 4915

PUERTO SOTOGRANDE
Where the blue begins...

A yachtsman's haven, an investor's choice combined with all the assets for the discriminating property purchaser.

On the shores of the Mediterranean in Southern Spain, just a 20 minute drive from Gibraltar's International airport. The widest choice of apartments and berths up to 50 metres

The Final Phase of The Harbour Village
Studios & penthouse studios from £50,000
One bedroom apartments from £60,000
Two bedroom apartments from £100,000
Choice of penthouses from £145,000

The Beach Apartments
Luxury apartments with individual swimming pools from £305,000



PLEASE SEND DETAILS TO:

NAME _____

ADDRESS _____

HOME

OFFICE

TELEPHONE OR APPLY FOR A BROCHURE TO
PUERTO SOTOGRANDE S.A. 3 SHERIFF MARKET, MAYFAIR,
LONDON W1Y 1HS. TEL: 01-485 3630 (24 HOURS) FAX: 01-403 1015
OR VISIT OUR LONDON OFFICE EXHIBITION.

MALTA SUPERB DETACHED BUNGALOW
Situated in prestigious Mellieha enjoying sea and country views and lying on one acre of land. Special features include large swimming pool and tennis court. Accommodation consists of 3 reception rooms, and 8 bedrooms etc.

For further details contact General Real Estate Agents,

37A, St. George's Road, St. Julian's, Malta. Tel: 010 356 340994

For further details contact General Real Estate Agents,

GARDENING

Why some like it hot

Robin Lane Fox on plants that have thrived in the dry summer

ON TUESDAY and Wednesday, we had the Great Autumn Flower Show in the Royal Horticultural Society's London Halls.

Fortunately, I was not an exhibitor; down here the Michaelmas Daisies have been scorched and the roses began to drop their leaves in August. It is much easier if you are a grower with a polytunnel and automatic watering. For two days, we visitors could forget the drought, admire the flowers and see the charm in well-shaped dahlias.

This autumn show is a godsend for people whose legs ache at Chelsea. The flowers are seasonal, reminding you what you could be growing this week. If you were being organised, you are not starting at daffodils in late May; the crowd is enough to make you feel that the event is special without stopping you from seeing the gardens; the plants are on sale throughout the show, and there is no need before 6 pm to remain in favour of the male visitor. There are also no designer hats. It is impossible to see the details of small bulbs in a condition from which most will not recover. I believe the safety.

A big show soon teaches you which plants have enjoyed the drought. This year, the hardy cyclamen have revelled in it.

The big rosy-pink trumpets of flowers on the climbing Mandevilla Alice du Pont were above such arguments.

Big plants of Cyclamen Graecum, with their pointed leaves, have flowered as never before and there has been a warm response to the sunshine from the rare variety with an unpronounceable name which is at home in a corner of Libya.

Jacques Amand, of Clamp Hill, Stamford, Middlesex, won a gold medal in the main hall for a stand which showed all the autumn cyclamen flowering at once in the smaller hall. The Cyclamen Society won another gold medal for the same varieties, better captioned, even better grown and more thickly-set with flowers.

Had any of them begun their garden careers as corms dug up from the wild? Certainly not, according to the expert alpinist at Amands: they were seed-grown, the lot of them, and anyway, the stories of bulbs looted from the wild have been exaggerated. On the Cyclamen Society stand, a caption remained that over a million corms of the pretty little Cyclamen Minutissimum have been shipped into Europe in an organised trade from Turkey, ending up in garden centres in a condition from which most will not recover. I believe the safety.

In autumn, gentians are blue daisies, especially if you live on the acid soil which they need. At these shows, I realise that I am lost among the huge

Hopleys, of Much Hadham, Hertfordshire, was showing it: it promised that it was almost as scented as the white form, but it eluded me in a warm afternoon among a crowd. Nonetheless, this Mandevilla is plainly a marvellous plant, free-flowering, exotic and exactly what alert owners of conservatories would like up their walls.

Edrom Nurseries, Colldingham, Ryemouth, Berwickshire has a superb list of this family: it amazed entrants into the main hall with two plantings of the little white Gentiana Saxosa and the ethereally pale blue Farreri in separate containers. I think I would go barefoot to see Farreri in the wild on its one Cheshire hillside. It is an awkward plant, but it will grow in the lime-rich Cotswolds. Edrom grows its stock from seed which is much stronger than the older method of growing from cuttings. It then selects its colours. This marvellous plant is happy in a container to itself and insists, above all, on that recent rarity, water. Edrom remarks that it is not home among its relatives. Not many of us are.

The National Collection of Japanese Anemones had some more accessible favourites. The names among the pink and white varieties are plainly chaotic, but the brisk expert on their stand replied crisply that the tall pink-flowered Lorelei is worth anybody's money among

the single pale pinks. I agree, but they are all slow starters, needing four years to settle.

Notcutt was showing some

yellow-bellied rowan trees under which the anemones

would flourish happily. As always, the pink-berried Sorbus Vilmorinii looks irresistible, but the birds tend to

delivered, cost £2.75; eight mul-

ti-headed astilbeeria at £6.75

will last for weeks while spe-

cial bouquets go up to £12. The

flowers are freshly cut on the

day of dispatch and treated for

long life. Nothing is sent on a

Friday or Saturday, as the

first-class post cannot be

stopped from giving a

third-rate service. However,

the flowers look cheaper to me

than deliveries from most of

the high street and bigger flor-

ists. You can order by phone

and credit card and then pic-

ture your order winging off to

a friend from the greenest cor-

ner of paradise left in this

country.

Tony Andrews

Julie Aylett, of Aylett Nurseries, St Albans, at the Royal Horticultural Society show

last spring, I was delighted

because here at last was a

magazine that was both beau-

tifully produced and edited for

enthusiastic gardeners.

It was even better than the

best garden magazines of

France and Italy, because it

was more intelligent and

started with the assumption

that readers were already

hooked on gardening. How-

ever, I was disturbed to read

there were no plans for regular

publication and that the pub-

lishers would only consider a

summer edition if the spring

volume sold enough. It must

have done so, since the second

issue is just to hand and every

bit as good as the first.

It also says that in future the

magazine will be a quarterly.

No doubt many readers will

order it direct from the sub-

scription department - PO

Box 500, Leicester LE39 0AA.

Cost of the next four issues is

£7.50.

Plants and Gardens arrived

last spring, I was delighted

because here at last was a

magazine that was both beau-

tifully produced and edited for

enthusiastic gardeners.

It was even better than the

best garden magazines of

France and Italy, because it

was more intelligent and

started with the assumption

that readers were already

hooked on gardening. How-

ever, I was disturbed to read

there were no plans for regular

publication and that the pub-

lishers would only consider a

summer edition if the spring

volume sold enough. It must

have done so, since the second

issue is just to hand and every

bit as good as the first.

It also says that in future the

magazine will be a quarterly.

No doubt many readers will

order it direct from the sub-

scription department - PO

Box 500, Leicester LE39 0AA.

Cost of the next four issues is

£7.50.

Plants and Gardens arrived

last spring, I was delighted

because here at last was a

magazine that was both beau-

tifully produced and edited for

enthusiastic gardeners.

It was even better than the

best garden magazines of

France and Italy, because it

was more intelligent and

started with the assumption

that readers were already

hooked on gardening. How-

ever, I was disturbed to read

there were no plans for regular

publication and that the pub-

lishers would only consider a

summer edition if the spring

volume sold enough. It must

have done so, since the second

issue is just to hand and every

bit as good as the first.

It also says that in future the

magazine will be a quarterly.

No doubt many readers will

order it direct from the sub-

scription department - PO

Box 500, Leicester LE39 0AA.

Cost of the next four issues is

£7.50.

Plants and Gardens arrived

last spring, I was delighted

because here at last was a

magazine that was both beau-

tifully produced and edited for

enthusiastic gardeners.

It was even better than the

best garden magazines of

France and Italy, because it

was more intelligent and

started with the assumption

that readers were already

hooked on gardening. How-

ever, I was disturbed to read

there were no plans for regular

publication and that the pub-

lishers would only consider a

summer edition if the spring

volume sold enough. It must

have done so, since the second

issue is just to hand and every

bit as good as the first.

It also says that in future the

magazine will be a quarterly.

No doubt many readers will

order it direct from the sub-

scription department - PO

Box 500, Leicester LE39 0AA.

Cost of the next four issues is

£7.50.

Plants and Gardens arrived

last spring, I was delighted

because here at last was a

magazine that was both beau-

tifully produced and edited for

enthusiastic gardeners.

It was even better than the

best garden magazines of

France and Italy, because it

was more intelligent and

started with the assumption

that readers were already

hooked on gardening. How-

ever, I was disturbed to read

there were no plans for regular

publication and that the pub-

lishers would only consider a</

BOOKS

In the time of Waugh

Rachel Billington on the lost generation which grew up and made good

IT IS never easy for a biographer to find a good subject. The worthwhile ones get snapped up very quickly nowadays, leading to a choice of the obscure or the uninteresting. It may not be fair, therefore, to criticise too roundly Humphrey Carpenter, the biographer of Auden and Pound, for choosing as his subject a writer and an assortment of writers that have already been well, some might think over-well, documented. Presumably Carpenter must have convinced himself that he would find something new to say by treating such writers as Evelyn Waugh, Harold Acton, Cyril Connolly, Graham Greene, Brian Howard, John Betjeman, Anthony Powell and Henry Green as if they were members of some sort of definable group.

This objective leads him to give a great deal of space and consideration to antics and juvenile writings at Eton and Oxford which the majority of them passed through at some time or another, although even in these playgrounds he cannot encompass them all. Brian Howard and Harold Acton come out as the most invertebrate pranksters, almost making one sympathise with the "hearties" who, when they had drunk enough beer, liked to break glass around the "aesthetes".

Anthony Powell and Graham Greene appear more as commentators than as participants, but the general picture is thoroughly silly with the only excuse the spectre of World War I which had taken so many of the generation before them.

Happily, by the end of Part Three two things have happened: first, most of the "group" have written something worth reading; and second, Humphrey Carpenter is wearying of his self-imposed task of herding together the unherdable and is beginning to write a biography of Evelyn Waugh — which is presumably what he wanted to do in the first place.

Since the first substantial volume of Martin Stannard's biography of Waugh, *The Early Years*, only came out in 1986, there is inevitably a large sense of déjà vu. Long passages are devoted to analysing the novels in the light of the

THE BRIDESHEAD GENERATION: EVELYN WAUGH AND HIS FRIENDS
by Humphrey Carpenter
Wesleyan £17.95, 552 pages

life, an activity which is the staple diet of biographers but needs to be dealt with a quick hand when the material is so well known. The depressing road of Waugh's life is followed with a sympathetic loyalty but this approach is too reverential to be truly moving.

The tragedy, only too clear to Waugh himself and to his friends, was that his creative inspiration never equalled his invention. Without the spur of his wartime experiences his novel-writing career might have ended even earlier than it did and without Catholicism and his family, his death too might have been sooner. Amazed and admiring, he watched Graham Greene's endless fertility, but could not find the way to a source in himself. *The Order of Gilt* Pinfold was not only a terrifying experience but also the first decent subject for a novel since the War.

This loss of inspiration might not have been so tragic if Waugh had had other interests. But once he decided to play the role of country squire (although he was, of course, nothing like the model he took) he effectively cut himself off from outside experience. Humphrey Carpenter touches on the matter of class which was so important to Waugh and quotes his comment, "Lord Cockburn was ennobled for practical reasons. I would like to be descended from a useless lord".

Waugh's taste for self-parody often disguised the truth and the author of *Brideshead Revisited* could hardly pretend he didn't have a penchant for the aristocracy. Unfortunately, neither snobbery, alcohol, nor conservatism were substitutes for writing a good novel.

Waugh didn't underrate his own work and equally didn't think much of the work of his contemporaries, telling his friend, Frank Pakenham, (now Lord Longford) that Swift, Cardinal Newman and Matthew Arnold were his mentors in prose style. He felt sure he was the best contemporary novelist and if he could not write he would do nothing



Evelyn Waugh: in touch if not exactly in tune with his age

else although his biography of *Edmund Campion*, for example (dismissed by Carpenter on cultural and literary grounds) shows the depth of his Catholic beliefs and his sense of history. While others tried to change the world for the better in the bright socialist days after the war, Waugh insisted his aim was "to spread alarm and despondency". The result was, in effect, a dreadful stagnation which he attempted to alleviate with drink and drugs.

Humphrey Carpenter explains Waugh's boorish behaviour in the last years as partly the result of his unstable mental health and partly as the result of a more positive stance. "An artist must be reactionary," Waugh told an interviewer four years before his death. "He has to stand out against the tenor of the age and not go flopping along."

This could be taken as a cheerful couple of lines on which to end the book yet it strikes a very hollow note if

it is supposed to be a final comment on Waugh. The best of Evelyn Waugh was written when he was at least in touch with his age if not exactly in tune if he had fought in Spain it would have been on the side of Franco and had not allowed himself to slip into dreary isolation.

Ironically, it is the very aloneness of Evelyn Waugh (despite, one must admit, his very energetic epistolary output) which strikes one most clearly when studying his life, thus making Carpenter's renewed efforts occasionally to drag in other writers so particularly irrelevant. Yet Carpenter is an astute and conscientious observer who may find an audience for this book among recent Waugh admirers who have watched the television series of *Brideshead Revisited* and the film of *A Handful of Dust* and are ready to believe that they will get just as much excitement by reading about the novelist's life as they will by reading his novels.

Empathy with animals

Bernard McGinley reviews the Poet Laureate's latest volumes

WOLFWATCHING
by Ted Hughes
Faber & Faber £9.95, £3.99
paperback 53 pages

MOORTOWN DIARY
by Ted Hughes
Faber & Faber £9.95, £3.99
paperback 68 pages

syntactically dense. The Laureate presents some formidable challenges, but he repays, usually.

Moortown Diary is a republication of the initial section of Hughes' *Moortown* (1979). The sequence has been slightly changed (as has the dedication, to his late father-in-law). Some notes and a somewhat green preface have been added, together with the exact date of almost every poem.

The subject is the hard rural life of North Devon. Hughes explains that immediacy rather than what he calls "the poetic process" was what he was striving for. As a bestiary of animals is again prominent. Typically fine though it is, the title poem — about the casual cruelty of a zoo cage — is recognisable from "Crow's Talk" of many years ago. Although the treatment is fresh, Hughes has little need to invent. The collection ranges from the almost inconsequential to the



Ted Hughes: powerful presence for thirty years

Israeli-Arab links

ISRAEL has been an "if only" country ever since it declared itself a state in 1948. The title of this collection of essays implies as much with the hope not only that economic co-operation and peace in the Middle East are interlinked but also that one could lead to the other. It is all part of 40 years of hankering for acceptance.

The book was sponsored by the Armand Hammer Fund for Economic Co-operation in the Middle East, based at Tel Aviv university. It is a sober collection of thoughts drawn from a research project co-ordinated by that university. The authors go with considerable detail into the possibilities of co-operation between Israel and Arab countries in such spheres as water, energy, transport by rail, sea and air, agriculture, oil pipelines and various industrial sectors.

Their arguments in favour are telling, because, pre-1948, many of the lines of communication in the area went logically across what is now Israel. But in promoting their case, they draw too heavily on the example of reconciliation in western Europe after the Second World War.

The authors concentrate on Israel's immediate neighbours — Egypt, Jordan, Syria, and Lebanon. But they indicate in the sector of oil distribution that there could be implications involving a third party — almost certainly the US.

But, the account of co-operation even with Egypt amounts (apart of an agreement of oil supplies to Israel reached within the terms of the Camp David accords) to two agricultural studies abandoned or rejected and the sale of Israeli breeding stock for dairy cattle. Tourism reflects the extent to which Arab resistance towards Israel is entrenched. There is only a trickle from Egypt to Israel compared with the flow in the other direction. And these are neighbours bound by a peace treaty!

ECONOMIC COOPERATION AND MIDDLE EAST PEACE
edited by Meir Merhav
Wesleyan £14.95, 236 pages

save considerable sums of money and are already losing out because of the "cost of doing business".

At the same time, it is made abundantly clear that there can be no illusions about economic co-operation being dependent on such major issues as: Lebanon's anarchy being resolved; peace being established with Jordan and Syria; and the March 1979 peace treaty with Egypt being warmed up.

It is not posited that economic links would lead to peace. On the contrary, peace will have to precede economic niceties. They suggest that a possible way round this dilemma might be joint ventures.

Anthony McDermott

Cornishman and Liberal

WITH HIS thick Cornish accent and earthy style, David Penhaligon, the Liberal MP who died in a car crash three years ago at the tragically early age of 42, was instantly stereotyped by the media as the shrewd country bumpkin. "Where be this Common Market m'dear?" one of his constituents asked him. "Tis the other side of Plymouth" replied Penhaligon.

His wife's book has a story to tell as folksy as one of those rags-to-riches stories of backwoods American politicians. On one of their first visits to London Annette and David were so overwhelmed by the big city that they failed to find the Houses of Parliament but eventually found succour within the faded grandeur of the National Liberal Club.

Behind Penhaligon's bucolic exterior lay an able brain and a capacity for hard work which eventually gained him the Truro seat by a thin majority of 464 in the general election of October 1974. This came after years of dedicated immersion in the politics of his beloved Cornwall where his style was well suited to the radical liberalism which still flourishes in the West Country.

Although he had reservations about the ill-fated Lib/Lab pact he accepted the job of liaising with the Labour Government on environment and transport — a role in which he won praise for his quick grasp of policy. At the time of his death he was widely regarded as a possible successor to David Steel as party leader.

The frenetic and claustrophobic world of Liberal politics is resurrected as the participants swing from hope to despair with the results of each by-election. How strange it seems now to look back to the days when the SDP/Liberal Alliance could grant Roy Jenkins the grand title of Prime Minister designate.

Penhaligon died shortly before the Alliance débâcle of the last general election and was spared the disintegration of the centre party which

followed. What one wonders, would he make of the battered state of the Social and Liberal Democrats today as they try to pick up the pieces? A hint of his thinking was given in 1986 when he asked his friends, "Do I really want to be a member of a minority party in parliament for the next twenty years?"

Yet such gloomy soul-searching was uncharacteristic of the man. He was a happy warrior who loved the political battle for its own sake and the chances are that he would still be in the thick of it had he lived.

John Hunt



David Penhaligon

Travels with a botanist

THE PAVLOVIAN response to the name Kingdon-Ward is still "Blue Poppy", although the credit for discovering it, in Yunnan in 1886, belongs to the French missionary Abbé Delavray and, for bringing home the first specimen, to Colonel Bailey who put a crumpled flower in his pocket-book during his classic Tibetan journey in 1913 (not 1922, as stated in this new biography). It was left to K-W to collect the first viable seeds of the plant, on his own 1924 journey to the Tsangpo Gorges.

Not that the sub-title — "The Last of the Great Plant Hunters" — is undeserved: in the course of 25 major expeditions undertaken over a period of nearly 50 years K-W collected and numbered more than 23,000 plants, and English gardens are still enriched by the poppies, lilies, primulas, rhododendrons and many others he introduced.

But, far from being merely a plant hunter, he was the greatest of all Himalayan explorers, and his dedicated work not only filled in what would otherwise remain to this day a blank space on the map, but also provided much of our existing knowledge of the flora, fauna, geology, climate and ethnology of the remote corner of the earth he made uniquely his own. This is the tangle of mountains where Assam, Burma, China and Tibet meet. Before the term had become fashionable K-W's chosen study was ecology, the relationships between living organisms, including human beings, to their environment.

Charles Lyte, gardening correspondent on a national newspaper, understandably concentrates on the botanical side of K-W's activities, giving little or no attention to the geography of the terrain where he worked, its birds, beasts and insects, and to its variegated inhabitants, not only Tibetan and Chinese, but also the hill tribes — Abors, Darus,

Dulong, Kachins, Lisus, Lutus, Marus, Mishmis, Nungs and others — in whose ways of life Patel is an example: a number of mistakes have been detected. The Younghusband Expedition to Lhasa took place three years before, not after, K-W first arrived in China. Britain annexed Upper Burma in 1886, not 1911, though Fort Hertz was not established in Eikanti Long until the latter year. The Rainbow Falls on the Tsangpo were first mentioned in 1884 by Kinlup, the Sikkimese tailor turned secret agent in the Great Game, not mentioned by Lyte. On page 119 he confused K-W's brief meeting with the American Arthur Verney in 1935 with the full-scale Vernay-Cutting Expedition to the Triangle which K-W, along with the ornithologist J.K. Stanford, joined three years later.

It would have been courteous to give due acknowledgement to the Schweinfurths for using the excellent map of K-W's journeys they prepared for their annotated bibliography of his work (Wiesbaden, 1975). Indeed, Lyte's own bibliography at the end of his book is sketchy to a fault, making no reference to such relevant authors as Bailey, Cox, Cuttings, the Schweinfurths, Stanford, and Jean Kingdon-Ward herself.

By concentrating on K-W as botanist Lyte does less than full justice to other aspects of his work, including his considerable gifts as a writer. Sir George Taylor expressed a more balanced view when, describing him as "in a class of his own", he wrote: "No one travelled more widely in the area, wrote more perceptively about it, collected more discriminately, and marshalled his observations so effectively". To his own corner of the Himalayas Kingdon-Ward was what Charles Doughty had been to fanatic Arabia, a comparison intended to give some indication of his true quality and stature.

Apart from misprints (Patel

for Patel is an example) a number of mistakes have been detected. The Younghusband Expedition to Lhasa took place three years before, not after, K-W first arrived in China. Britain annexed Upper Burma in 1886, not 1911, though Fort Hertz was not established in Eikanti Long until the latter year. The Rainbow Falls on the Tsangpo were first mentioned in 1884 by Kinlup, the Sikkimese tailor turned secret agent in the Great Game, not mentioned by Lyte. On page 119 he confused K-W's brief meeting with the American Arthur Verney in 1935 with the full-scale Vernay-Cutting Expedition to the Triangle which K-W, along with the ornithologist J.K. Stanford, joined three years later.

John Whitehead

THESE MEMOIRS by the late Robert Marjolin contain no unexpected revelations, but they do provide an insider's guide to the long and complex process of reconstructing the European economies after the devastation of the Second World War. They also provide a self-portrait of a man of great intellectual gifts, who devoted all his energies to the service of his country, France, and to the building of the post-war European Community.

His origins were extremely modest — he had to leave school at 14 to earn his living as an apprentice in an orthopaedic workshop. It was from such unpromising beginnings that he rose to become a leading economist and a top executive in the various organisations devoted to the reconstruction of Europe after the war. As he put it in a note written shortly before his death: "Je suis parti de très bas; je suis monté très haut (ou assez haut) par un effort de volonté".

With such a start in life it was probably inevitable that Marjolin should be drawn to socialism. He joined the socialist youth movement, came under the influence of Léon Blum, and wrote articles for *Le Populaire*. He fairly soon parted company with the popular front regime because he disagreed with its economic and foreign policies, but he kept many of his socialist sympathies, and later became an adviser to Christian Pineau

ARCHITECT OF EUROPEAN UNITY: MEMOIRS 1911-1986 by Robert Marjolin translated by William Hall Wesleyan £18.95, 457 pages

when Pineau was foreign minister in the socialist government headed by Guy Mollet.

In the economic sphere, he was not an innovator, but having started as an amateur of Keynes, continued to follow fairly orthodox paths. His strength lay in a pragmatic approach to complex realities and a genius for finding acceptable compromise solutions to apparently intractable problems. He was fortunate in his early mentors, and it was one of them, Professor Célestin Bouglé of the Sorbonne, who arranged for him to spend a year in the US as a Rockefeller Foundation student at Yale, which gave him insights into American life that were to prove especially valuable in the immediate post-war years. The main part of his narrative is taken up with a detailed study of the successive phases in the post-war reconstruction of Europe from the start of the Marshall Plan onwards, with the setting up of GATT in 1947, of the European Coal and Steel Community in 1952 and of the Common Market in 1957. Marjolin played an important role

Erik de Mauny

Number one on your hit list.

ROBERT LUDLUM TREVAYNE

£12.95

GRAFTON BOOKS

Fiction

Manipulation of love and death

In London Fields, Martin Amis tackles the Big Themes – love, death, and darts. Luckily for the reader, it is the last of these concerns which receives the most thorough treatment. Amis's fifth novel is a nightmare from which you wake up laughing, a demurely funny vision of survival in the near future. Although not as important as the author seems to think, it makes for compulsive reading.

The novel is set in London till the end of the second

LONDON FIELDS
by Martin Amis

Jonathan Cape £12.95, 470 pages

million-dollar prophetic opening with the sort of searing social satire we have just experienced, and ending on Guy Fawkes day. Its narrator is Sampson Young, a dying American author who has come to London to write one final book. He stands immediately on his story – the inevitable murder of a beautiful woman he glimpses in a Portobello Road pub. She is Nicola Six, a seductress for whom the term *femme fatale* is an insincere understatement. Her would-be murderer is Keith Talent, a street hustler who divides his time between petty crime and playing cards for the local pub. There is a third member of the drama, Guy Clinch, a glib ex-public school boy who will play the stooge for Nicola in the unfolding drama. Together they form

a Bermuda Triangle of love into which all will vanish.

The catch is that it is the murderer who manipulates events. For Nicola Six wants to die. She is tired of living in a loveless, exhausted world, and therefore plans to orchestrate her murder on her 36th birthday. To do this she seduces both Guy and Keith in an attempt to provoke the jealousy which will goad Keith into killing her. Yet there's a hitch – loveless Keith cares only about his darts. So Nicola betrays him just as he is about to experience his darting apotheosis in the big match against the formidable Chick Purchaser. Her genius, however, fails to prepare us for the surprise ending in which the limits of manipulation are stretched out of the novel itself.

It is a brilliant performance which will not disappoint Amis fans. His comic vision has never been darker. According to Amis, Earth 1989 has had it – dead clouds blot the London sky; unending war in Southeast Asia produces incomprehensible megadeaths; the weather is so eruptive that veteran correspondents are sent to cover it. Against this backdrop his characters lie, cheat and deceive themselves just to survive, or, in Nicola's case, not to.

Amis is at his best in the creation of Keith Talent. Born of the tribe of native Notting Hillites who have weathered incursions by blacks and yippies, he is the perfect product



Martin Amis: demurely funny vision of survival

of his time. With his reflexive urge to cheat, his pornography, and his dreams of televised darling fame, Keith is well suited to survive in a world without beauty, love, or a future. His language is particularly well-crafted, a verbal stew of darts scores, product names and "units". He is the right man for an age whose only gifts to the next millennium are a ruined ecosystem and TV.

Unfortunately, Nicola Six is not so keenly rendered, making for the novel's only significant flaw. Certainly her ability to manipulate and her cold

Stephen Amidon

HIS IS Bill Waugh's Green Period. In fact, it has been his Green Period for most of his painting life. As he admits: "I'm sick of grass sometimes." If you paint golf courses, however, green goes with the territory.

The Belfry, where the Ryder Cup continues today, is one of the special themes to inspire the brush of Brighton painter William Kelly Waugh. "Royal Troon, 6th Hole" (large size), "Royal Troon, 8th Hole" (small size), "Royal Troon, 11th Hole" and "Royal Troon, 18th Hole" are some of his other works.

I don't know much about golf, but I know that I like golf and I like the way Bill has developed the art of golf courses to a tee. He was just another engineer in a microwave development laboratory when his wife gave him a teach-yourself water colouring book.

"I started dabbling in painting," he recalls, "and my sister-in-law said, why didn't I hang up a couple in her cafe?" He did, and his traditional West Country scenes gradually sold at £20 a time. They caught the eye of a passing gallery bigwig and – just three years after Waugh first started painting

ing by numbers – went for £200 a piece at the resulting exhibition.

If these early works had a fault, it was that they lacked a theme. This defect was remedied by an hotel director, who commissioned a painting of his golf course. Bill, who as an apprentice in his father's die-cast foundry had played football in his country, was substantially interested to deliver. However, the course of art golf did not run smoothly – the hotel changed hands and the new owners refused to write out the agreed cheque.

"A man who produced calendars said: 'Why don't you do a golfing calendar?'" Then he went bankrupt. Having just remarried, Bill had financed the publishing deal with £5,000 borrowed from the new Mrs Waugh, and it looked like another of art history's dead ends – another painter starving in his garret.

His assets were a handful of

wanted golfing paintings and thousands of very surplus-to-requirements calendars.

However, he laid on his own exhibition at the Marine Hotel, Troon, during the Open and hit a home run.

"I had a stroke of luck,"

was about the time "I met the Bal-

asteros management and they

said, 'We'll represent myself to Spain.' I had just enough money

to get the boat to Spain – and

he asked me to come back another time." This Bill did,

and the result was a limited

edition of 850 prints, signed by

both of them.

Now Bill is the Van Gogh of

golf. If you have played there,

he's painted it: Sunningdale (No 10 in his recent exhibition at the Burlington Gallery), Royal Lytham (4, 5 and 6) Wentworth (11) and St Andrews (23 and 24).

It is not just Britain where

he has been keeping his eye on the ball. Robert Trent Jones Snr, the finest golf course

designer ever, has invited me to paint 16 of his famous holes. His really are the ultimate courses from Canada to Puerto Rico, from Monaco to Japan."

He was able to bid farewell to the job in microwave development, and to the sort of figures charged back in the days of his sister-in-law's cafe: "The gallery prices are between £600 and £3,000. I'm embarrassed with what I charge at times. It's only a landscape at the end of the day. If I didn't put a flag in it, you could knock off a couple of noughts."

Just as golfers must remember to keep left arm straight and head still, Bill has a check-list: sign it, number it and put in the flag.

He spends a lot of time at dawn and dusk waiting for a few pinks and reds to add variety to the green. Clubhouses are no problem: "Being a mechanical engineer, I find drawings of buildings easy to do and make accurate. I can really go as far as putting the screws in the drainpipes." Where he misses out is his own game – he has no time to play where he paints.

Jonathan Sale

Country Notes

Sting in the tale



newly hatched grubs for three days as is normally the case, future queens are fed royal jelly throughout their growing period. Beekeepers occasionally transfer eggs from normal cells to artificial queen cells in order to increase the number of swarms, thus confirming that it is the feeding rather than the egg itself that is essential for producing queens.

Probably the most noticeable of all the bees is the bumble bee, a name which suits this lumbering, fury bear of a bee admirably. It, too, is a communal species but in this case, like the wasp, it is the queen alone who overwinters rather than a swarm, setting up her new colony in the spring and often choosing an old mouse or vole nest for the purpose.

The habit of using old small mammal nests is posing a new problem for those studying dormice, which is done by placing nest boxes on suitable trees. I have heard of researchers who when reaching into a box have plunged their hands into a nest of angry bumble bees with the expected results.

Michael J. Woods

replace the current batch, which survives only a short time in the summer. Around the edges are slightly larger cells and here the queen, who can tell the difference in size, lays drone-producing eggs.

Queen cells are different again and here, although the queen lays perfectly ordinary "worker" eggs, it is the workers who decide it that will rear new queens. Instead of

just feeding royal jelly to the

Chess

DAVID BRONSTEIN, the 65-year-old former world title challenger, provided the creative spark at the NatWest Young Masters, at the Bayswater Inn Hotel, London, this month. Bronstein was involved in all the tournament's most significant moments. He brilliantly defeated Conquest, inspired Adams and Hebdon to original games against himself, then thwarted Levitt's bid for the grandmaster title in the final round.

The NatWest event is designed to give young British players the chance of GM results, and this year's target of six out of nine did not look unrealistically high. But all the home candidates failed in critical games, and it was the modest Indian No. 2 Didiendu Barua who reached the norm by the realistic route of six solid draws and three wins against out-of-form opponents. Final leading totals were Barua 6½, Adams, Bronstein and Levitt 5½, Kosten and Watson 5, Hebdon and Murshead 4.

Catherine's death is masterfully done: "When Catherine had stopped breathing, just before six, the hiss of her last breath was lost in the crash of a baking tin rattling on to the kitchen lino." This is indeed "how it takes place", as Auden knew. "While someone else is eating or opening a window, or just walking duly along." Coming to terms with grief, finding out what you believe if you don't even know what you feel is what preoccupies Francis, groping to make the break to adulthood. This is a fine, delicate beginning.

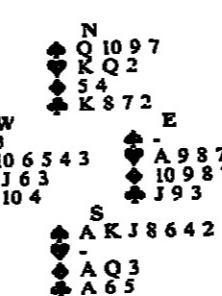
Andrew Motion's ostensible aim is more modest. *The Pale Companion* is to be the first of a sequence, presumably following the young Francis Mayne as he grows up during the 1960s. This is the pre-Aids era of passionate public school liaisons: alternative worlds kept firmly apart from the strained life of home.

It is 1968, and the book starts with the death of Bobby Kennedy glimpsed on Matron's television: whence Francis proceeds to a steamy tryst with dangerous Keith. The central, overwhelming event is the death of his sister, Catherine, and the way that death is ever present, overwhelming and yet marginal is what the book is all about.

Catherine's death is masterfully done: "When Catherine had stopped breathing, just before six, the hiss of her last breath was lost in the crash of a baking tin rattling on to the kitchen lino." This is indeed "how it takes place", as Auden knew. "While someone else is eating or opening a window, or just walking duly along." Coming to terms with grief, finding out what you believe if you don't even know what you feel is what preoccupies Francis, groping to make the break to adulthood. This is a fine, delicate beginning.

Mary Hope

THE FIRST hand today comes from rubber bridge, when I was playing partie fixe with my friend Derek Rimmington – always an enjoyable occasion. Here is:



S A K J 8 6 4 2

♦ A Q 10 9 7

♦ A Q 6 5

♦ K 10 9 8 7

♦ J 9 3

♦ Q 10 4

♦ A 9 8 7

♦ A 8 7

♦ A 7 6 5

♦ A 6 5

♦ A 5 4

♦ A 4 3

♦ A 3 2

♦ A 2 1

♦ A 1 0 9

♦ A 0 8 7

♦ A 0 7 6 5

♦ A 0 6 5

♦ A 0 5 4

♦ A 0 4 3

♦ A 0 3 2

♦ A 0 2 1

♦ A 0 1 0 9

♦ A 0 1 0 8 7

♦ A 0 1 0 7 6 5

♦ A 0 1 0 6 5

♦ A 0 1 0 5 4

♦ A 0 1 0 4 3

♦ A 0 1 0 3 2

♦ A 0 1 0 2 1

♦ A 0 1 0 1 0 9

♦ A 0 1 0 1 0 8 7

♦ A 0 1 0 1 0 7 6 5

♦ A 0 1 0 1 0 6 5

♦ A 0 1 0 1 0 5 4

♦ A 0 1 0 1 0 4 3

♦ A 0 1 0 1 0 3 2

♦ A 0 1 0 1 0 2 1

♦ A 0 1 0 1 0 1 0 9

♦ A 0 1 0 1 0 1 0 8 7

♦ A 0 1 0 1 0 1 0 7 6 5

♦ A 0 1 0 1 0 1 0 6 5

♦ A 0 1 0 1 0 1 0 5 4

♦ A 0 1 0 1 0 1 0 4 3

♦ A 0 1 0 1 0 1 0 3 2

♦ A 0 1 0 1 0 1 0 2 1

♦ A 0 1 0 1 0 1 0 1 0 9

♦ A 0 1 0 1 0 1 0 1 0 8 7

♦ A 0 1 0 1 0 1 0 1 0 7 6 5

♦ A 0 1 0 1 0 1 0 1 0 6 5

♦ A 0 1 0 1 0 1 0 1 0 5 4

♦ A 0 1 0 1 0 1 0 1 0 4 3

♦ A 0 1 0 1 0 1 0 1 0 3 2

♦ A 0 1 0 1 0 1 0 1 0 2 1

♦ A 0 1 0 1 0 1 0 1 0 1 0 9

♦ A 0 1 0 1 0 1 0 1 0 1 0 8 7

♦ A 0 1 0 1 0 1 0 1 0 1 0 7 6 5

♦ A 0 1 0 1 0 1 0

DIVERSIONS - FOOD AND WINE

Service charges: just the tip of the iceberg

CITING ITS origin as the slang of the early 17th century, the Oxford English Dictionary accurately describes tipping for the anachronism it is: "the giving of a gratuity to an inferior." That this practice persists even as the 21st century approaches casts confusion among customers, preserves the myth of waiters as a sub-species, and casts no credit on the restaurant trade.

When the practice did start it must have pleased everyone. Restaurateurs — or coffee house owners in those days — found their wages bill funded by their customers. The waiting staff had unrecorded and immediate remuneration. The customers, meanwhile, often felt that they were not only being given a stick with which to beat inefficient staff, but a way of minimising the cost of eating out by leaving less than the recommended service charge.

Tipping has persisted far longer in Britain than in many others where fully inclusive prices are quoted in bars and restaurants. Partly this has been due to a feeling that it was quite fair to allow tipping to continue while foreigners — French, Italian, Spanish and Hungarians — filled most of our waiting positions, but also it has derived from a serious under-appreciation of the waiter's role.

To be a good waiter or waitress requires a combination of physical and mental strength. Shifts are long — three to four hours at lunch, six to eight hours in the evening — and physically demanding. You need to be ambidextrous (anyone can take one plate to a table at once) and well balanced — try carrying two steaming-hot plates straight from the kitchen to a table in the furthest corner of a busy room without spilling the sauce. Most of all, you need to be fit.

Last year, Elena Salvoni at London's L'Escargot restaurant raised money for Great Ormond Street Hospital by conducting a sponsored walk during a normal week's work. A pedometer recorded that, in the course of a week of five lunches and four evening shifts, Elena walked just over 50 miles (and raised £3,000). This was with the minimum of effort.

OPEN A kitchen cupboard and somewhere, at the back behind the cake mix and the icing sugar, you are bound to find a tin or two of anchovies. From time to time someone has the sense to remember their presence and to mix them into a summer salad, nicoise or, even better, to melt them into an anchovy sauce to serve with the winter's beef.

Look more closely at anchovy tins and you will find that they come from Marseilles, North Africa, Portugal, even Argentina and Thailand. Apart from the North African and Marseilles anchovies, however, none of the others is the real Mediterranean anchovy made famous throughout medieval and post-medieval Europe by the anchovy fisheries of Collioure.

Collioure is not what it was. Instead of being second city of trans-Pyrenean Catalonia — and the seat of the summer palace of the King of Majorca — it is a touristy little port more famous for wine than anchovies. In 1699, because of the Treaty of the Pyrenees, Collioure became French, and

an order pad and pen in her hand, and often with food and the occasional lost customer.

As well as certain other pre-

requisites, such as common sense, politeness and cleanliness, a good waiter has to be mentally agile. Taking orders from large tables can be tricky, particularly when customers exercise their prerogative and change their minds.

It is then that the waiter's handwriting comes into question. In many restaurants, if a waiter writes a wrong bin number down he often has to pay the difference, and nothing will infuriate the kitchen — and the customer, if his food is delayed — more than being unable to read a written order. It is surprising how in the heat of the kitchen one waiter's scribbled rabbit can look like another's written halibut. What has changed dramatically?

The anachronism that is tipping no longer works to the waiter's advantage, says Nick Lander

ally in recent years is that the practice of tipping no longer works to the waiters' advantage. Satisfied previously with ready cash, waiters now understandably want to be treated as the rest of the working population, with sick pay, holiday pay and a steady gross wage. They can hardly persuade any bank manager to lend them money — and waiters, like the rest of us, want holidays, cars and mortgages — on the basis of a gross wage of £90 per week and twice which might vary from £100 to nothing.

The basic requirement of today's waiting staff is not only overlooked by many restaurateurs but is also misinterpreted by many restaurant writers. They state that if a service charge is levied it should go to the waiting staff, but this naive belief fails to take into account what the waiting staff will live on if the restaurant becomes quiet for a week or two, either as a result of bad review or, as happened recently, of very hot weather and Underground strikes.

While most of the restaurant trade in Britain has not deliberately misled the public about

Most concerned restaurant proprietors would argue that the correct procedure is that the service charge should be collected by the house and used to pay a good living wage to the staff, based either on hours or shifts worked.

Such a system has two great advantages. First, it removes what is often the largest division in any restaurant, which is not, as you might imagine, between staff and customers, but between kitchen and waiting staff. Often the kitchen staff, who are all on gross wages, believe that potentially big-spending customers are allowed into the restaurant after last orders by waiters looking to boost their tips. But just as important, installing a range of gross wages provides a proper career path covering the commis waiter up to the general manager, and may be one reason why hotels which invariably incorporate the service charge in their prices are finding it a little easier to recruit staff at the moment.

The Inland Revenue has been pushing the restaurant trade in this direction for a number of years, having identified the whole area of tips and service charges as being open to abuse. They have established strict guidelines for the setting up and distribution of the tronc (the term used to cover all the service charges collected which is then distributed, usually on a points system, to all the staff who have worked in a given week). However, because their guidelines can be interpreted differently by various inspectors, confusion can still reign.

One inspector I know was insistent that every night's PAYE contribution should take the form of a mighty cheque from the staff, often to be written at 2am, rather than an accumulated monthly cheque from the restaurant. It was only when I pointed out that not all the staff had bank accounts to cover these amounts that he changed his mind. Complications with the Revenue over the tronc system in large restaurant chains have even caused the proposed sale of at least one large chain to fall through.

While most of the restaurant trade in Britain has not deliberately misled the public about

prices, it has definitely been

coy. It has preferred to quote prices exclusive of service which the public then interprets as the final price, to which a service charge — 10, 12.5 or 15 per cent — is added. This is an effective marketing ploy, particularly in a country in which many still judge the quality of a restaurant by the price of its steak. This applies even more to wines, where those priced just under the psychological £10 barrier without service easily exceed it with service, and where very expensive wines, with service added at 15 per cent, can equal the cost of many first courses.

What may eventually lead to the consumer's complete pro-

tection is the intervention of the Department of Trade and Industry. In November 1988 in a series of guidelines on price indications it urged restaurants to charge fully inclusive prices, incorporating the service charge, and not to include suggested optional sums, eg, a suggested service charge of 10 per cent.

These recommendations came into effect (but not law) in March 1989 but to date the restaurant trade has been very slow to take them up, with many restaurants persisting in the illogical and misleading "optional service charge." This has not gone down at all well with the DTT.

Unless these recommendations become law, the customer will once again be the final arbiter. You should carefully read any menu to see whether service is included, and only compare like prices with like. Be very careful when paying by credit card that the restaurant has filled in the service amount and the total so that you are not paying for service twice (the London Evening Standard has run a successful campaign against such restaurants in London). Encourage those establishments which seem to care about their waiting staff. And compliment, or criticise, the waiting staff as you would the kitchen staff. Waiters are human, too.

are simply filleted fresh and then "cooked" in vinegar for a couple of days. This method has spread to the restaurants of French Catalonia where lemon juice is often substituted for vinegar.

The traditional Collioure approach can be found up and down the coast, and notably in typical Collioure restaurants such as "La Bodega".

The anchovies are removed from their jars and left on a plate under running water for between half an hour and an hour. They are dried with a cloth and then arranged on a dish with quartered hard-boiled eggs and strips of baked red pepper, the whole being covered with good olive oil. You should always prefer anchovies in brine to those in oil, as with the latter it is impossible to remove the salinity of the fish.

Jars of Collioure anchovies are still available from high class delicatessens and stored in the fridge they will keep for months, providing source for sardines and salad alike.

Giles MacDonogh

Food for Thought

Roll out the anchovy barrel



from that time onwards anchovies began to assume a larger role in French cookery. This was partly because of the heavy tax on salt — the *gabelle* — which meant that a substitute was looked for in the form of anchovies. This accounts for the many recipes in which they combine with beef.

Traditionally, the

Colliourengs went fishing in June and July when the fish were at their best and there was little to do in the vineyard. The fish were caught by the gills in a thin net by night, attracted by a lamp strung on the boat's mast. The light also attracted porpoises which, knowing they could find a food, often ruined the nets of the fishermen.

Once landed in Collioure or neighbouring Port Vendres, the fish were mixed with salt in layers in a barrel where they were left to ripen and assume the dark grey colouring which we associate with anchovies. Once the anchovies were deemed ripe, they were packed in jars with

tasting blood. After a few days the delicate operation was performed of removing the head and stomach together with one twist of the fingers.

The fish were then arranged in layers with salt in a barrel where they were left to ripen and assume the dark grey colouring which we associate with anchovies. Once the anchovies were deemed ripe, they were packed in jars with

salt and brine, ready to be shipped.

Paul Cantie, who has now abandoned his anchovy business to concentrate on his vines, told me that in his father's day, at the turn of the century, there were 120 fishing boats in Collioure and as many as 600 fishermen living from the trade. When he started out after the war there were still two dozen fisheries in the town. Today there are just three.

The decline in the business was partly attributable to the change in fishing techniques; bigger boats were capable of landing a larger catch and taking them under refrigeration to marseilles or North Africa where the cost of labour was lower. As Cantie puts it, the price of paying a Collioureng for an hour could buy the services of an Algerian "Fatima" for a whole

day.

The work, as I saw it in one of the surviving fisheries of Collioure, is anything but pleasant: flies constantly swarm the patient women as they dip into heaps of salted fish, deftly removing the fishes' guts and "ironing" them before arranging them in tubs. The smell is predictably nauseating, and very difficult to get out of your clothes.

Another factor in the decline of traditional curing has been the popularity of the Spanish anchovy preparation — *bocconas* — as part of the tapas act. The Spanish now come up to Port Vendres to buy their anchovies, paying prices far in excess of the French locals. The Spanish method has all the virtues of simplicity, not requiring the lengthy curing required in the Collioure process. The fish

Cookery

In need of the tender touch

ini (like narrow tagliatelle), they need a maximum of three minutes cooking. A fresh and pretty dish like this is good enough to serve on its own and provides the starting point for dozens of delicious — and quick — variations.

Sometimes I scatter the chifonade with chopped green coriander leaves just before serving, or crown it with a few coarse, very crispy fried bread-crums for contrasting crunch.

At others, I add a lump of

leeks and chicken flavoured with ginger and garlic, and sometimes I add breast of chicken — as in the recipe below. If I am feeling lazy, I serve this leek and chicken mixture simply with warmed French bread to act as "pushers."

For greater chic, the dish can be partnered with wild rice. For more elaboration still, it can be brought to table in large individual vol-au-vent cases, fashioned from a roll of frozen puff pastry, or filled into four-inch tarts made using phyllo, rather than short-crust, pastry.

In the version of the recipe given below, I have used a surround of cheesy choux pastry. This distinctively French addition sounds a little at odds with the faintly eastern flavour of leeks and chicken flavoured with ginger and garlic, but I think the combination works rather well.

Gougeres with chifonade of leeks & chicken

(serves four)

For the gougeres: 4lb plain white flour, 3oz butter, cut into dice; 3 eggs; 2oz each grated Gruyère and Parmesan cheese; cayenne pepper.

For the filling: 4lb each chicken breast fillets and finely shredded leeks; fresh root ginger and 1 garlic clove; a little oil and soy sauce; a small bunch of green coriander (optional).

Heat the oven and a baking sheet to 425°F (220°C) — gas mark 7. Cut the chicken meat into quills, toss in a tablespoon or so of oil and a good splash of soy. Cover and set aside.

Sift the flour into a small bowl. Season well with salt, black pepper and a pinch of cayenne. Measure 8 fl oz water into a pan. Add the butter, diced, and bring to a rapid boil.

Away from the heat, quickly tip the seasoned flour into the saucepan and beat with a wooden spoon until the mixture is smooth and leaves the sides of the pan clean.

Turn the heat up again. Add the chicken to the pan and stir-fry for about 3 minutes, adding 2 teaspoons of finely chopped ginger after the first minute.

Reduce the heat, half-cover the pan and cook for about 1½ minutes more, just stirring once or twice. Remove the leeks, cover them, and keep them hot.

Turn the heat up again. Add

the chicken to the pan and stir-fry for about 3 minutes, adding 2 teaspoons of finely

chopped ginger after the first

minute.

As soon as the chicken is

cooked, draw the pan away

from the heat. Add the leeks,

season with salt and pepper,

and a shake of soy sauce perhaps. Toss and add some green coriander maybe. Pile the fragrant mixture into the centre

of the gougeres and serve straight away.

leeks, season with salt and pepper, and a shake of soy sauce perhaps. Toss and add some green coriander maybe. Pile the fragrant mixture into the centre

of the gougeres and serve straight away.

Philippa Davenport

Wine

When to drink a vintage

THE QUESTION most often asked of those presumed to know wine merchants and even wine writers is "When will it be ready to drink?"

When this refers to a prized and costly vintage wine, as it usually does, there is seldom a ready answer. (A merchant friend of mine customarily replied: "Another 18 months.") For a start, views differ as to when a wine has reached the ready stage: it may be "drinkable" long before it achieves its peak. Then there are many wines — clarets, in particular — that do not follow an even course of development. The initially much acclaimed 1970 and 1975 clarets are examples.

Nevertheless, in *Vintage Timecharts* (1976pp, Mitchell Beazley, £19.95) Jancis Robinson has courageously and confidently set out responses to this difficult question, in the form of development charts for 46 of the world's leading or most widely known wines.

Between *les gouts français et anglais* she sets out more or less in the middle of the English Channel — a good place for compiling this formidable work.

After a useful introduction describing how wines mature, she produces two introductory charts — for generic wines to be consumed as young as possible and for those likely to improve over a year or two. Then follows a very interesting pair of charts illustrating the "flight-path" of the seven first-growth clarets: one for "great modern vintage," the other for "lesser modern vintage." The examples she gives are '83, '82 and '85, and then '80 and '84.

Reasonably enough, most of the 46 individual wine charts begin with the 1978 vintage, now sufficiently developed throughout the wine world to be assessable, and continue up to the 1987 and occasionally the 1988 vintage. The charts end at vintage 2000. Clarets have the most space, with nine châteaux each described concisely, skilfully annotated and charted. They range from Petrus in the Bas-Médoc to Petrus and Canon. Burgundy includes La Tâche and Lejave's Chevalier-Montrachet, and leading estates have been chosen throughout the rest of France and the world, including Roederer Cristal champagne, Poggio Brule and its Monte Bello and Penfolds Grange Hermitage.

It could be argued that most of the chosen wines are beyond the reach of most of us, but this is modified by introductory articles on wines from each district or country, and by annual subtractions for lesser wines of the same class or style. For example, "accelerate the (ch) Margaux Timechart by three years." These are useful and ingenious guidelines, but it would be a pity to take them as gospel — the author surely does not intend at all length.

She herself says that "wine appreciation is, happily, nothing if not subjective," and one does not have to agree with all she says to appreciate the value of her work. I feel that sometimes she is too much in a hurry to denote a wine's peak. For instance, I do not believe that leading vintages of Petrus and Cheval-Blanc reach their apogee at nearly 10 years old, nor at the other end of the scale than Côte de Bourg peak at two years.

Yet she repeatedly and rightly emphasises that many of the leading-to-medium growths not only vary in development but also in quality, and that some are better suited to earlier drinking than others. This is as encouraging as your generosity and we thank you for your inspiring trust.

Sister Superior

ST. JOSEPH'S HOSPICE
MARE ST, LONDON E8 4SA
(Charity Reg. No. 23132)

Since 1905 we have shared the love and care of countless suffering souls.

Last year alone 900 found peace with the help of your vital gifts. Most of them died of cancer — but so serene that you would hardly know.

Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

WHEELERS & OLIVER LTD
14 St. Cross Street,
LONDON EC1N 5XD
FOUNDED 1811

A REMINDER... ORDER NOW FOR CHRISTMAS LEATHER & SILVER CORPORATE GIFTS

FOR BROCHURE WRITE OR TELEPHONE 01 831 6909



Glyn Goodwin

advice on purchase and serving, the book is based on half-a-dozen zones, drawn by vinous rather than political boundaries and emphasising grape varieties. It is critical rather than purely descriptive. He points out the defects of the mad rust into planting in the Sixties and the tarnished reputation of the DOC Garantita vines

HOW TO SPEND IT

Lucia van der Post on Liberty's Eastern exhibition, a range of gentlemen's clothes from Laura Ashley, and London's Goldsmiths Fair

Taste of an Indian summer

A NYBODY who has been to India comes back with new ways of looking at the world. This is not the time to go into the more philosophical side of the Indian experience, but I am reminded of the rich and varied visual feast the country offers by the prospect of a huge Indian promotion, "The Bright Light of India", about to suffice Liberty shops throughout Britain.

Lovers of things Indian will have a chance to snap up all those delectable colourful specialties that one spots while wandering round Rajastan, or browsing in a Delhi market but resists because the suitcase is already bulging.

The promotion starts next Thursday and goes on until Saturday October 21, and while London's Regent Street shop - being the flagship - will offer the richest selection, the other shops will carry a range of Indian fabrics, jewellery, objects of various sorts, kelims, and

stone modern-perher-manché.

India has traditionally been associated with charming but unsophisticated hand-blocked cottons, with Madras checks, and brilliantly coloured silks. In recent years teams of designers have flocked to India - drawn by the indigenous skills and raw materials, and longing to harness them to more sophisticated designs.

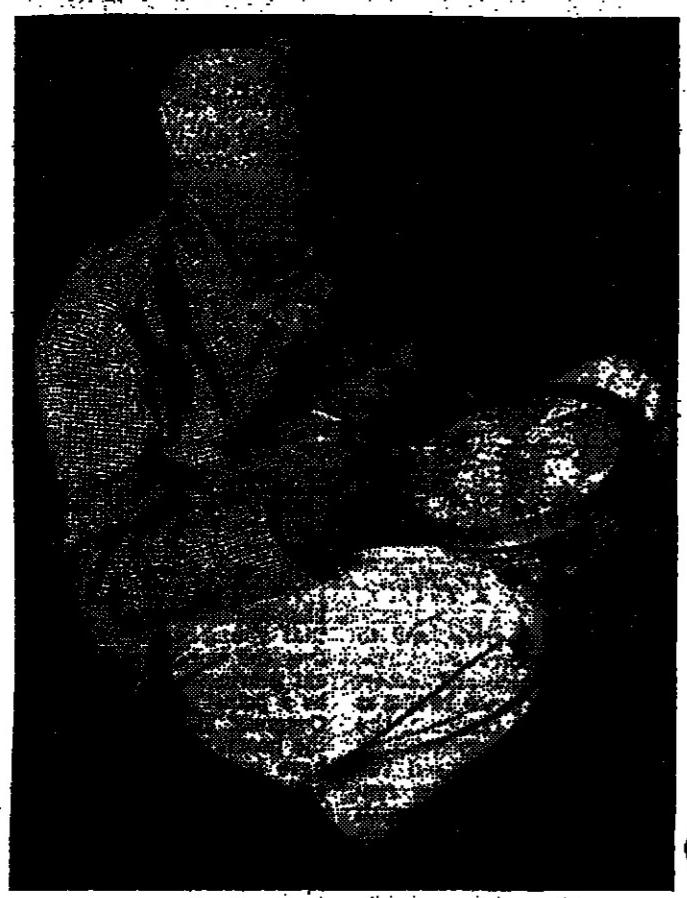
In the Liberty shop, particularly Regent Street, you will be able to see and buy some of the results of all this effort. You will be able to browse through a vast selection of fabrics, from the famous hand-blocked vegetable dye prints to paisleys and florals, Madras checks and batiks. There will be silks from Kanchipuram, linens from Lucknow, silk embroideries from the Punjab, tribal jewellery from Rajastan and Tibet, sandalwood crafted in Mysore, tobacco boxes, chappati platters and hand-painted wooden chests, screens and planters, spice boxes and stained basket-

ware, plus carpets from Jaipur and Varanasi, silk carpets from Kashmir and kelims from the Sindhi.

Fabrics can be bought by the yard, cottons starting at £2.25 a metre, cotton ikats at £6.95 and silks at £11.95, but there is also a wonderful range of bed and table linen made especially for the exhibition.

One of the highlights will be a collection of 18th and 19th century Kashmiri paper maché, garnished by Bridgid Keenan, a former *Sunday Times* fashion editor. Kashmiri paper maché, with its rich and intricate flower patterns and long tradition, has long been sought after by international collectors. As far back as 1685 Francois Bernier, a French traveller in Kashmir, was struck by the beauty of the padded bedsteads, trunks, inkstands and boxes.

Bridgid's collection takes in traditional Indian objects, like painted penboxes on little trays and turban boxes and Sahim and Memsaib objects (such as cigar cases, desk sets with blotters, candlesticks and lamps) that the Kashmiris



Above: A selection of Rajasthani jewellery, Indian silver and wood objects, all from Liberty



Right: Painted Kashmiri paper maché table, one of the many pieces from Bridgid Keenan's collection

More sources of Indian wares:

■ Indiaworks, Pinchon Road, London, SW1: Plain cottons at £2.50 a metre, check and striped cottons from £3.00 and crewel work at £8.00 a metre. Indian silks from £5 a metre. Vast selection of dhurries old and new starting from £120; many of them are suitable for upholstery. A range of sofas and chairs covered in old, worn dhurries which look wonderful: three-seater dhurrie-covered sofas are £1,975, arm chairs £285. Lots of cotton carpets, ratan furniture and brass ornaments.

■ Ian Mankin, 109 Regents Park Road, London, NW1: A vast selection of pure Indian cotton fabrics, plains, stripes and checks, at prices ranging from £3.50 - £8.50 a metre.

■ The Couran Shop, 88 Fulham Road, London SW3: Marvelous Indian fabrics, including cotton ikats (ikats are random-woven fabrics and can be cotton or silk) from £5.50 a metre, plain white cotton (khadi) from £4.50. Old wooden spice jars, chests, architectural pieces and old Indian photographs.

■ Jallyan, 7a Chester Close, London, SW1: New centre specialising in modern crafts from India but using traditional skills and heavy emphasis on quality. Not primarily a retail outlet, though there is lots to buy - more a source of inspiration where special pieces can be ordered. Much of their stock will be at Liberty's exhibition. Look for carved sandstone screens and animals, embroidered muslins, silks and modern paintings.

■ Vipasha, 13 Mason's Yard, St. James's, London, SW1: Indian art, tribal textiles, decorative pieces of all sorts, all antique.

Clothes for the gentle gentleman

THREE ARE tough times on the Clapham Omnitex. There doesn't seem to be anybody much interested in dressing him these days. Only gentlemen, it seems, are expected to need clothing.

A year or so back, yuppie were the smart target. They were being wooed on every front - all those braces, pleated trouser fronts and expensive ties that spoke so tellingly of go-getting aggression and carefully oiled success.

Today the mood has changed. Money brokers, junk bond dealers and city slickers are out of vogue. It's a gentler, more creative sort of chap the marketing people have in mind. However, from the financial angle, the news is just as bad: clothes for gentele gentlemen don't come cheap.

Latest of the ranges for gentlemen is an interesting new concept from the Laura Ashley stable, with the heavily evocative name of Sandringham. You can almost

smell the leather and hear the gun. Devised by Trevor Maddocks, who has been with Laura Ashley for many years, it was first launched tentatively as a small capsule collection at the menswear collections in Paris last spring.

What Trevor Maddocks originally conceived as a toe in the water exercise has become a full-blown plunge - the collection he presented created so much interest that he has had to manufacture and deliver to Japan, Italy and France. Now it seems he has a concept that people actually want, a much fuller collection will be available in more countries (including Britain) next Spring.

The collection is of particular interest of several counts. It is the first menswear range from the Laura Ashley group, and while it has been developed as a separate label and will for the moment be sold in up-market menswear stores, it could pressage a bigger move into menswear stores under the

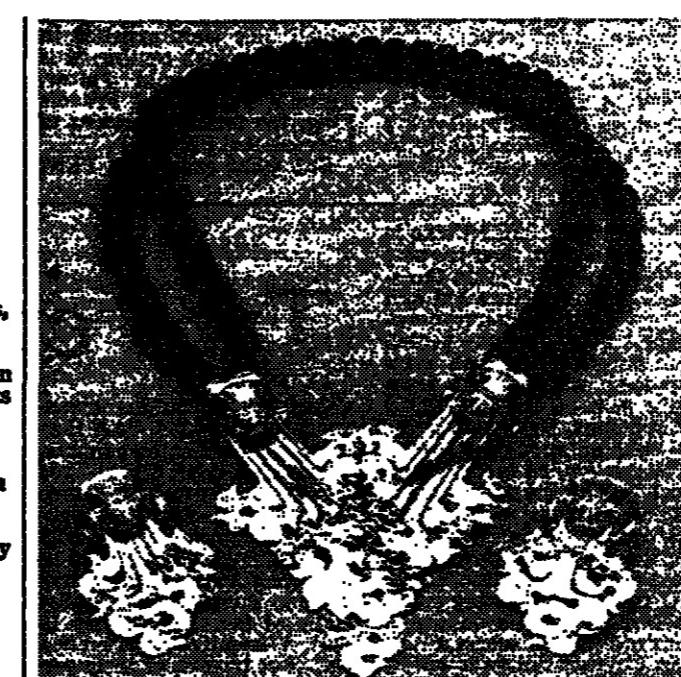
Laura Ashley banner.

Although the prices are much higher than the Laura Ashley for women range - with fine wool suits selling at £250, cotton shirts at about £245 and linen jackets at about £250 - it comes in priced well below Paul Smith and Ralph Lauren but slightly above Jaeger.

It seems to harken in on the Laura Ashley nostalgia - having something of that same air of being not quite of the modern world. However, whereas the original Miss Laura Ashley conjured up a life of charming rural

simplicity, all sprigged cotton and new-laid eggs, Mister Sandringham springs from rather grander roots.

Ancestral acres, with old retainers and faithful hounds form his natural habitat. Of course, he wears only natural fabrics - fine wools, cottons and linens in "cool colonial shades" - and his sports are the manly ones of sailing and adventuring in far-off places. In case you're wondering what the cool colonial shades are, they turn out to be natural,



Flair at the Fair

THE ANNUAL Goldsmiths Fair in London is an event worth marking in the diary.

Each year the company gathers the work of more than 70 of Britain's finest designer/craftsmen under one roof, and there can scarcely be a better chance to catch up with what our designers are up to - or a better opportunity to commission or buy a special piece to mark a birthday, anniversary or christening.

To see as wide a variety of work would normally entail long journeys from one end of the country to another - here, at the Royal Horticultural Society's Old Hall in Vincent Square, Victoria, it will all be laid out before you.

In the past, the fairs have been a great success (regular readers may remember that in times gone by they went under the catcher name of Loot and were held in the Goldsmiths' Hall itself). Many a visitor, despairing of the

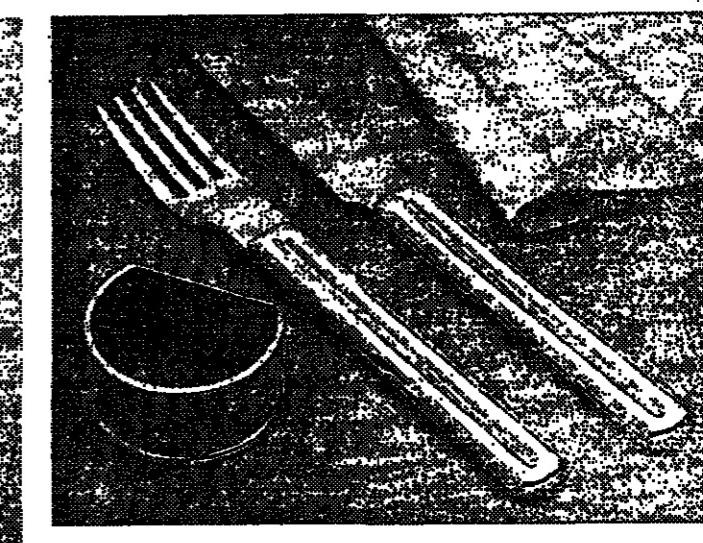
standard of design in her local high street, has ended up with a cherished necklace, pair of earrings or serving spoon.

Anything and everything that can be made suitably from precious and semi-precious metals will be on view - usually jewellery is most in evidence and after that silverware for the table. Prices have always seemed to me to be exceedingly reasonable, often verging on the modest.

This year's fair runs from September 27 to October 3 and will be open from 11am to 7pm on Monday to Friday and from 11am to 5pm on Saturdays. The work photographed here will give you just a small flavour of what is on offer.

Above right: Silver tableware by Richard Fox. Napkin ring, £61.50; table fork and table knife, £1,675.00 each.

Above left: Jewellery by Alan Vallee. Silver and black agate bead necklace £230, with matching silver earrings £70.



DAKS Simpson



From the largest DAKS Collection in the world Simpson introduce the new DAKS Autumn/Winter collection. Jackets from £179. Jackets featuring £72.50. Trouser jackets £65. To order, call or visit Simpson who not only run their famous English Restaurants or for a lighter meal the Simpson Gallery Wine Bar and for the dedicated, the Simpson Sushi Bar.

ONE LOOK TELLS YOU IT'S DAKS

THE ROYAL OAK

Andemars Piguet
La plus prestigieuse des signatures.

AVAILABLE AT:
ASPREY, GARRARD, LONDON HILTON,
MARTIN & WEBB, DAVID MORRIS, TYME,
THE WATCH GALLERY AND WATCHES OF SWITZERLAND.

The Complete Gentleman off-duty, in his archaeologist's jacket, cotton casual trousers with deep pleats and button flies



HUNTSMANS

Hand Tailored Autumn/Winter Range
of Ready-to-wear
Mens clothing now available.

11 SAVILE ROW
01-734 7441

ARTS

Where critics fear to tread

Michael Coveney is invited to put his money where his mouth is

A DRAMA critic is sent all sorts of things through the post, not all of them pleasant: invitations to first nights, apologetic complaints, a tonnage of Press releases, the odd compliment, threats. But a delivery the other day brought both the unexpected and the unprecedented: an opportunity to put my money where my mouth would soon be. I was invited to invest in a new production I could later go along and review.

A mistake, of course. But how did it happen? Earlier this year I had actually forked out a few shillings for tickets over and above my reviewer's allocation — the show was Jackie Mason's comedy turn at the Playhouse — and my name had found its way onto an investors' mail shot list.

The producers Harvey Kass and Bruce Hyman have formed a new company, Theatrelife plc, and are seeking to finance a production of David Mamet's *A Life in the Theatre*, starring Denholm Elliott and directed by Bill Bryden, through a combination of individual investment in both play and company.

Under present legislation relating to the Business Expansion Scheme, investors paying a minimum amount of £750, with any multiple of 250 one pound shares above that amount, will it is intended, qualify for tax relief. The company aims to raise a minimum of £200,000 to finance the production and a maximum of £500,000 from BES investment in the company itself.

This is a fairly new way of organising things — finance a producing company, not a particular show — and does not sound obviously attractive to that curious band of theatre-struck optimistic backers called "angels." The well-prepared prospectus states that 50 per cent of any audited after-tax profits of Theatrelife plc will be distributed in the form of dividends. The balance will be ploughed back into the company and used to finance further productions.

It is an attempt to follow, on a more modest, but unquoted, scale, the public flotation of Andrew Lloyd Webber's Really Useful Company. But there is no comparable guarantee of artistic bankability beyond the unsurprising intention to seek out product that is both profitable and of high quality.

The opening project, regardless of whether or not the Press reviews are favourable, looks risky. Denholm Elliott is a universally admired supporting actor, but he has not been on stage for many years, and positive Box Office response on the pre-London tour (Birmingham, Guildford, Birmingham) is no indicator of West End appeal. A theatre on Shaftesbury Avenue has been earmarked, but no contract signed as yet. In addition, the play is not new, nor is it vin-



at the Box Office.

The salaries and fees for the Mamet are budgeted at £18,700, the designs and costumes at £39,000, and production charges, including legal and insurance fees, at £26,300. Then there is contingency money, and an amount in reserve. The biggest cost, for display advertising, marketing and publicity, is £55,000. These are all capital costs.

Weekly running costs are then estimated at a further £27,125, and the production will start moving into profit if it plays in an 800-seater theatre to 50 per cent of audience capacity for 35 weeks. If it's a modest hit, it can play to 70 per cent capacity and recoup in just ten weeks.

None of this, of course, will affect what I say about the production if and when it opens in London in November. And I do not want any more invitations to invest in anything, let alone the theatre thank you very much. But I am glad to have had a glimpse of the background, and a vicarious taste of the madness involved. I much prefer my role as a critic, and a life in the theatre of responsibility without too much power.

THE OPENING of the Morton H. Meyerson Symphony Centre in Dallas this month was a crashing success. At the gala opening, with tickets ranging up to \$5,000 for the first performances, four members of the audience tumbled through the new seats to the floor and others stumbled negotiating the marble floors and deceptive inclines of architect LM.Pei's quite magnificent \$81m Centre.

The explosions continued throughout the night, with Van Cliburn bailing the Dallas Symphony Orchestra with Tchaikovsky's Piano Concerto No 1, which was followed by Mahler's Resurrection Symphony, making surely the longest, most indigestible, programme ever devised for a predominantly social occasion.

After a few days reflection, and a string of contrasting concerts — the Kronos Quartet, Verdi's Requiem and a rare Rostropovich cello recital — a consensus built up around the Meyerson. It is undoubtedly one of the finest new music halls in the world, in particular its grandiose public places: the actual auditorium, in contrast, is claustrophobic. The acoustic, by Russell Johnson (who is handling the emerging Birmingham Centre) is regarded as generally excellent, but bedevilled with all that confusing rigmarole that attaches itself to this erudite area. Above the stage is a canopy which is lowered and lifted according to the scale of the performance. Like the National Theatre's revolving stage, the canopy remained resolutely immobile at the opening performances.

As for the music, undoubtedly the new hall will be a mixed blessing for its resident orchestra, the Dallas Symphony. Their old home was a deadening barn of a place which prevented them making the leap and converting the Top Five American Orchestras into a Top Six; but the new home exposed the limitations of the orchestra, especially in the strings, in the first concerts. Its long time conductor Eduardo Mata has now to persuade his Board to hand round the collecting bowl again to provide an endowment which will enable team building and thus fully exploit the Meyerson. Many arts groups — the RSC

The pride of Dallas

Antony Thorncroft attends the opening of the new Meyerson Symphony Centre

springs to mind — realise that their problems start when they are lavishly re-housed. The Dallas Symphony will have its work load raised from under 100 concerts a year to 180, and its annual running costs will be \$3m higher at \$13m. Fortunately the lure of the new hall has ensured that every performance, marketed on subscription, has been sold out for the first season, and the 25,000 subscriptions are claimed to be a record for any orchestra: with unused tickets usually being resold, chief executive Leonard Stone is budgeting for a capacity of 115 per cent.

But still the Dallas Symphony is seeking an endowment of \$100m, which will make it the richest orchestra in the world; and this brings us to the nub of it all — how rich is Dallas?

It comes as a shock that the city regards itself as economically comparable to Liverpool. The collapse of the oil price, real estate values, and banks in 1979 created a recession throughout the eighties which is just showing minimal signs of improvement. The Dallas Ballet Company and two theatre companies disappeared in an environment in which there is little subsidy for the arts. The achievement of the Meyerson is that the pride of Dallas saw it through. Less than one per cent of the cash pledged, (and over half the cost came from private donations), failed to appear, yet according to Mort Meyerson, who headed the building committee, of the hundred most likely donors of a decade ago only thirty would be considered approachable now.

On the other hand, if the new money was blown away there are

many old fortunes in Dallas. Mr Stanley Marcus, the 82 year old doyen of the Dallas arts world, whose family founded the Neiman Marcus stores 80 years ago, is confident that a donation of over \$25m to the orchestra endowment fund will be forthcoming within six months from a tucked away fortune. Significantly the other cultural shrine in the city, the Dallas Museum of Art, which only opened in the mid 1980s, is planning an extension five years ahead of schedule thanks to a \$20m gift from Mrs Hamon, widow of an oil man. (Significantly, she is an art lover who gave nothing to the Meyerson).

The Meyerson became possible because Mr Ross Perot, who sold his local Dallas company Electronic Data Systems to General Motors for \$3.5b, said he would donate \$10m if the hall was named after Mort Meyerson, a former business colleague. Meyerson admitted to feeling "awe, humility, inadequacy, a sense of gratitude and responsibility" in being immortalised in this way. The fact that he joined EDS late, and held little equity while accounting for much of its success, perhaps accounts for his selection for the name.

But his ten years heading the building committee makes the honour quite appropriate. His first decision was to set the highest standards: "to make it the world's best concert hall was our objective," even if that meant a \$10m fee for Mr Pei's practice. Oddly enough he has not done too badly. It was Meyerson who sided with Russell Johnson in going for a small, 2,000 seater, rather than a more lucrative, but less sensitive, hall. He reckons



Mort Meyerson: his name immortalised by the new Centre

their contributions against tax. It also stresses the importance of local pride.

It confirms the American acceptance that the arts can act as an economic regenerator. The Centre, and the Museum, are part of a down town arts area in Dallas which is designated as the core for bringing back homes, shops, and society, to a down town which is now as dead as Dorking on a Sunday afternoon. The next objective is an opera house. Meyerson's studies suggest that the Centre will bring a return of at least \$300m to Dallas in the next five years.

Defenders of the right to write

As its Congress starts, Anthony Curtis reports on the role of PEN

MORE THAN 500 writers from all over the world — novelists, poets, dramatists, biographers, translators, journalists — are converging upon Toronto this weekend, and will be here until Wednesday when the whole circus will build a special train, the Author Express, and move en masse to Montreal. We are all attending the 54th PEN World Congress.

In both cities there will be several days devoted to public meetings, and sessions closed to all but official delegates; in addition the delegates will have a choice of participating in a vast programme of readings, dialogues, panels, talks. This is the biggest and most representative PEN Congress ever held and, in view of the pressures currently affecting authors world-wide, likely to be one of the most momentous.

THE FINISHING-line is in sight. Over the past couple of years Christopher Hogwood and Roger Norrington, purveyors of classical music on period instruments, have been making their way through complete sets of the Beethoven symphonies. By mid-summer the canter suddenly turned into a gallop, as each made a final dash for the winning-post. There is clearly a certain kudos in being the first "authentic" orchestras for Beethoven will surely become the norm in the same year.

If the idea of hearing music as familiar as this on period instruments still seems a novelty, I cannot believe it will be much longer. Recordings of the *St Matthew Passion* by romantic symphony orchestras are already looked upon with an air of old-world curiosity. In future "authentic" orchestras for Beethoven will surely become the norm in the same way.

The desire to achieve historical accuracy has developed an irresistible momentum. In the past year I have attended several concerts that reproduced original 18th and 19th-century programmes, many that dressed their players in wigs and heavy brocades. One wonders what the next step will be — perhaps a Beethoven conductor who crawls under his desk and leaps high in the air, as contemporary reports tell us the composer himself did? Though neither has yet

risked "authentic" impersonations of that kind, both Hogwood and Norrington continue to advance their cause. They agree generally on basic points of research. (Speeds have become exaggerated, especially the slow ones; there should be less interpretation rather than more.) They even employ many of the same players in their differently-named orchestras. But instead of their performances then turning out the same, it is a pleasant surprise to meet two new recorded cycles that present quite distinct personalities.

In his L'Oiseau Lyre set with the Academy of Ancient Music Hogwood takes a straightforward line. The music-making is brisk and bright-eyed with the naturally clear balance that comes from using period instruments; but once that basic style has been assimilated, the conductor rarely intervenes. The players begin at the beginning and end at the end — and that is about it, as one imagines it probably was when the symphonies were getting their early performances.

There is undoubtedly a case to be made for a performance style that is simple in that way. Some movements, such as

And why is it having an international names, Chinua Achebe and the Nobel prize winner, Wole Soyinka are here from Nigeria, Anna Ata Adoo from Ghana, Jorge Amado from Brazil, Regine Desforges from France, Anita Desai from India, Damilo Kita from Yugoslavia, Betty Friedan from the US, Tatjana Tolstoya from the Soviet Union. On the crest of glasnost the Russians have been readmitted to PEN from which they were expelled in 1921. The British contingent is headed by Harold Pinter, Antonia Fraser and Francis King, the former president of International PEN?

What began as a social club for writing and dining eminent foreign guests soon became an influential international body with centres blossoming forth all over Europe and in the U.S.

A bi-annual international congress became an established tradition. This is the first to be held in Canada. One of PEN's foremost concerns has been to maintain constant vigilance over writers' freedom, and vigorously to protest and exert pressure to combat censorship and the release of the unjustly imprisoned.

Wells, who succeeded Galsworth in 1933, infused PEN's deliberations with this more campaigning spirit, which has continued to the present day. PEN eschewed direct political intervention but affirmed its commitment to the idea of one man's living in peace, to the need to dispel class, race

and national hatreds, and to oppose the suppression of freedom of expression and censorship in time of peace. In 1933 at the Dubrovnik congress, the German Centre was expelled; in 1937 PEN espoused the cause of Koestler under sentence of death in a Spanish prison and secured his release.

The need for vigilance has unfortunately not lessened in the years since the second world war. English PEN from its modest headquarters in Chelsea shared with the Sketch Club has, and is, campaigning ceaselessly for imprisoned writers in many countries of the world. When Amnesty International was founded in

1961, they wrote to PEN as an organisation that had been in the same business for a great many years and asked for support, which was readily given.

The Canadian organisers have been concerned to ensure that young writers from all over the world and the different provinces of Canada shall be a palpable presence at the Congress. To this end, under the heading New Voices, they have invited 20 writers from abroad under 35 and five from across Canada who will participate as delegates. Among these are Ruby Slipperjack (Canada), Mzwakhe Mdlalose (South Africa), Hamed Djedid (Tunisia), Alejandro Bravo (Nicaragua), Jeanette Winterson and Adam Mans Jones (both UK).

With talent of this calibre around we should be in for some lively discussions. I hope to send a further report next week.

parsons I have made favour Norrington for his genuine imagination and zest. It is typical that he should find the humour in the First Symphony and the poetry in the Sixth, where Hogwood remains plain as a penny. Only the Ninth might swing back to Hogwood, who uses his large chorus and orchestra to build the masterpiece on a large scale that would, I think, have appealed to the composer.

The Norrington cycle, available as single discs or a boxed set, should be in the shops now. Hogwood has released all the symphonies individually, except 7 and 8, which will be on sale in mid-November, together with his boxed set. Do at least listen to one of them. Either way your old Klemperer or Karajan recordings will never sound the same again.

Richard Fairman

Records

Two cycles with a difference

BEETHOVEN: Symphonies Nos 1-9. The London Classical Players/Roger Norrington. EMI Reflexe CDS 7 49552-2 (6 CDs). Beethoven: Symphonies Nos 1-9. The Academy of Ancient Music/Christopher Hogwood. L'Oiseau Lyre 425 696-2 (6 CDs). Available from mid-November.

the opening Allegro of the Fifth Symphony, work up a tremendous head of steam as the orchestra drives ahead, and scherzos and finales in particular benefit from a lack of pretension. But the very lack of interpretative point-making may well disappoint listeners who like to spend long hours by the fireside making comparisons between their favourite old recordings.

For them Norrington has obligingly opened the door on the new "authentic" pastures. His cycle, as hawk-eyed as any from the past, is full of individuality, enthralling and irritating by turns.

The recording quality on his EMI set is not in the same league as its adversary, for which L'Oiseau Lyre has provided a glamorous, open acoustic. But this has not stopped Norrington consciously emphasising sounds that are

different and strange, which at their most extreme produce a veritable farmyard of noises: a clucking bassoon, a honking horn, gun-shot explosions from the timpani. At times the sound-picture brings Berlioz to mind. (No wonder Norrington has moved swiftly on to the *Symphonie fantastique*.)

In the same way he plays up what might look like strange tempo markings in the score. Both conductors aim to follow Beethoven's metronome markings in general terms, but it is Norrington who is determined to make the difficult ones work. If you are a traditionalist who is still wary, it might be advisable to sample the first movement of this *Ercole*, which is taken almost up to speed — a bit of a shock at first, though I found it marvelously convincing on repetition.

The strongest argument for acquiring his cycle, though, lies with the slow movements. These, quite simply, are not slow at all. The speeds prescribed by Beethoven make it clear that the difference between fast and slow tempos was not nearly as extreme then as we have become used to, and Norrington's performances

put that case more convincingly than could any theorist.

The brisk Funeral March of the *Ercole*, played with marching military force, is a particular success.

Which then, is the winner? If I had to base my choice on a companion of, say, the Fifth Symphony I just might choose Hogwood. He does the obvious things in this central symphony with great elan, while Norrington is at his most annoyingly mannered, adding crescendos and other novelties where none are marked. (My score has no indication that the timpani should play its magical lead-in to the finale with a thump every four bars.)

But almost all the other com-

The White Stallions are coming!

ANGLIO-AUSTRIAN SOCIETY AND THE GÖTTSCHE-SCHMID BANK LONDON BRANCH

RECEIVED

20th CENTURY BRITISH ART FAIR

THE CUMBERLAND HOTEL MARBLE ARCH LONDON W1

26-30 SEPTEMBER 1989

11am-8pm. Last day 11am-7pm

The only fair for BRITISH art from 1900 to the present day

from 1900 to the present day

26 September at 12 noon

Admission £5 inc. catalogue

Information 01-371 1703

WEMBLEY ARENA 01 930 1234

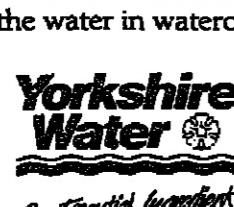
or Anglo-Austrian Society 01 876 7777

The Yorkshire Watercolour Society exhibition.

The Gallery, Westminster Central Methodist Hall, 26th-30th September. Admission free.

26th September 3.00pm-5.30pm
27th-29th September 9.30am-5.30pm
30th September 9.30am-12.30pm.

A superb exhibition from the people who put the water in watercolour.



SPINK COIN AUCTIONS Sale No. 71

Wednesday October 11th 1989

at the Cavendish Hotel, London SW1

GREEK ROMAN EUROPEAN MEDIEVAL & WORLD COINS

Ancient Greek Coins, gold and silver, a collection of Macedonian Royal Coins including a Dekadrachion of Alexander the Great.

A fine collection of Roman Coins, gold, silver and bronze.

European Medieval Coins, Property of the Late Christopher Blunt.

World Coins, Portuguese and Brazilian gold, West Indian countermarked coins, European silver and Numismatic Books.

Send £5 for fully illustrated catalogue.

Spink

Spink & Son Ltd.
King Street, St James's, London SW1Y 5QS. Tel 01-838 7888 (24 hrs) Telex 916711

ARTS



A Hogarth engraving 'The Laughing Audience'

Contempt clothed in a rich burlesque

William Packer reviews the Hogarth exhibition currently in Venice

TO GO all the way to Venice to see an exhibition devoted to that most English of English artists, William Hogarth, may seem a shade perverse. But it is never perverse to go to Venice, whatever the pretext, and this exercise proves valuable on several levels, in relation not only to Hogarth's work in itself but also to its wider European context, social quite as much as aesthetic.

Hogarth was the first English-born artist to achieve a truly international reputation, albeit principally as the engraver of satirical burlesques and moralities. Yet it is not uncommon for just such a qualified success to be as much a hindrance as a help, by fixing the reputation upon the particular practice at the expense of the whole – as though Mozart wrote only occasional music, or Shakespeare sonnets. The reputation of Hogarth the

painter, as opposed to the engraver, of "Marriage à la Mode" or "The Rake's Progress," and some of the most singular portraits of the age besides, seems rather to have stayed at home.

This at Venice: the latest in the Cini Foundation's sequence of scholarly yet sympathetic and accessible exhibitions (San Giorgio Maggiore; until November 12 – organised in collaboration with the British Council), is the first of William Hogarth ever to be shown abroad. It represents him in every aspect of his work, and the Venetian public has been intrigued and impressed at the appearance of a master of whom it had known so little.

The exhibition is not exhaustive but, given the nature of the material and, in particular, the dense narrative quality of so much of its imagery, requires, even so, some concentration and a good hour or two. It is hung chronologically by

medium, the prints first, with drawings and a few relevant paintings interspersed, and then the paintings. The development from jobbing engraver into founding father of the school of social and political satirical illustration, that was so fierce and lively a feature of English public life in the latter half of the 18th century, is clearly shown.

The quality of his social anger, born of adolescent experience of a father imprisoned for debt, is apparent almost from the start. His inventive, more earnest than comic, against the South Sea Speculation was published in 1721, when he was 31. But the rich burlesque with which he was to clothe his contempt would declare itself only by degrees through the great satirical sequences of the 1730s and 1740s. For Hogarth had spent his twenties serving out his apprenticeship as an engraver, and not until he was 30, out of

his time and impatient at the constraints of his trade, would he turn artist.

The technical mastery of the engravings in this first period of his career stands in sharp contrast to the stilted conventionalities of the conversation pieces, family portraits and genre paintings, that mark his start as a painter. But these early works do show how rapidly he was mastering the new discipline, their stiffness soon easing into a more relaxed and confident naturalism. Quite as much as do the engravings, they set the foundations of the mature achievement, for it is the Satire as Conversation Piece that remains Hogarth's most singular and influential contribution. In their engraved versions, the moral sequences may have given him a wide and enduring reputation, but it is in the paintings that they achieve their truest and fullest expression.

It is a pity, therefore, that one or two of the finest canvases of the Rake or the Marriage, perhaps, or the Election, are not included. I am sure it was not for asking. In their stead are oil sketches or studies that give an idea of scale and manner. Many are unfamiliar, manifest roughs or incompletes, fascinating in themselves for the insight they give into Hogarth's actual working practice.

The portraiture stands apart, a distinct and parallel development from that same base in the early conventional family groups, and as fine as anything in the entire oeuvre. Here indeed are some of the greatest examples – the self-portrait of 1735; Captain Graham in his Cabin, the archetypal conversation piece (1741); the Graham Children, with cat and goldfinch (1742); the incomplete Lord Charlemont (1759); and best of all, a masterpiece by any standard, the large double portrait of David Garrick and

his wife (1757) that concludes his show. Bold, rich, remarkably fluent in the application and description, they retain even on the grandest scale a sense of the intimate and immediate personal presence.

To see Hogarth thus in Venice is to confront images of vigorous and unrepentant insularity. He hated foreigners, the French especially, and said as much in broad and still familiar terms: "With lanterns jaws and creaking gut," runs the caption to his Invasion print of 1756, "See how the half-starved Frenchmen strut! And call us English Dogs! But soon we'll teach these bragging Foes/ That Beef and Beer give heavier blows! Than Soup and Roasted Frogs." Oh dear: plus ca change . . . And yet, in the year of the bicentennaire, his, to foreign sensibilities, astonishing outspokenness and satirical trenchancy speak clearly of the precedence of British.

WEDNESDAY, 1 pm. Urgent telephone message: Major retrospective festival of Indian theatre, New Delhi, please come. P.S. started two days ago. It was a characteristically chaotic start to a festival that set out to characterize the development of Indian theatre over the last three decades through 15 of its most important productions.

The grandees of the theatre establishment were out in force in a city still green after the monsoon. So were their detractors, who, in scornful dismissal of "this old boys' reunion," had set up their own rival festival of street theatre around the corner.

It does not take very long for even the most innocent outsiders to realize that Indian theatre is powered by the dramas that happen outside it. In January this year, Saffar Hashmi, a leading light in the burgeoning street theatre movement, was beaten to death by thugs protecting the electoral candidate his company had set out to lampoon. Overnight a fragmented and fragile theatre movement became a political union.

Two days later Hashmi's widow was back performing the play on the spot where her husband had been murdered. Eight months on came an even more robust affirmation – a gathering of 12 companies from all over this vast and varied country, a tiny proportion of the thousands working in India but a start nevertheless.

While the street theatre companies, young and militant, dealt with contemporary exploitation and suppression, their seniors at the Nehru Shatabdi Natya Samarbha re-enacted their own tussles with the political and cultural legacies of colonialism. The fervour and frankness of which demand respect even 20 years after the battlefield has moved elsewhere.

Upali Dutt's *Kalla*, curtain-raiser to the festival, is a case in point. In revival it appears a wacky and worthy quasi-historical drama against British treat-

Drama of the Indian kind

Claire Armitstead visits a theatre festival in Delhi, while below Alastair Macaulay reports on an Indian dance season in London

ment of India during the second world war, centred on a naval mutiny which spread ashore. Yet when the play opened in Calcutta in 1965, Dutt, an outspoken communist, was thrown into jail, provoking an outcry which culminated in a public meeting attended by millions of people.

However, the quest for identity in the Indian theatre extends beyond its subject matter to its whole language and structure. The old guard still talk fondly of the "well-made play" – indeed one of the high points was a moody Chekhovian drama from the one-woman director of the festival, Vijaya Mehta. But lumpen naturalism was also much in evidence, and the most interesting directors were those who have explored classical and folk traditions for a style and energy indigenous to India.

An outstanding example, from as far back as 1954, is *Agra Bazaar*, written and directed by Habib Tanvir, by common consent one of the most consistently talented of India's theatre practitioners. He based the play on the work of the 18th century poet Nazir Akbarabadi, which is unique in its use of the sophisticated Urdu language to portray the lot of the common man.

Within a structure reminiscent of Jonson's *Bartholomew Fair*, Tanvir brings folk artists of all ages and skills together to create a bustling picture of market life. Singers, dancers and comedians strut their stuff as the plot unfolds on an economic crisis affecting the trade community and a love rivalry between chief of police and market lad. Through it all wander two bearded min-

strels whose plaintive musical signature connects poetry and comedy.

The earthy richness of *Agra Bazaar* embodies one approach to the enduring problem of marrying traditional forms with contemporary issues. Another great area of exploration is through a classical theatre dominated by endless episodes from *The Mahabharata*.

The progress of contemporary dramatists and directors in re-interpreting the classics was much in evidence, throwing up an interesting new problem of its own. The exquisitely disciplined physical theatre of Ratan Thiyam's *Chakravarti*, a former fringe first-winner at Edinburgh, is perceived in some quarters to have international appeal simply because it does not attempt to address the problems of text and social content.

"I think you are a very good photographer," Thiyam was told, quite unfairly, by a militant cousin of Saffar Hashmi, who was concerned at the homogenisation of culture needed to gain a national – let alone international – profile. His underlying point was a valid one: in a country of so many languages, how does one reconcile the desire for a broad audience with the need to address specific issues and develop a new theatre literature?

The same question was prompted by *Ghashiram Kotwal*, a vibrant and colourful political piece from 1972 performed by the Theatre Academy, Pune. But lumpen naturalism was also much in evidence, and the most interesting directors were those who have explored classical and folk traditions for a style and energy indigenous to India.

An outstanding example, from as far back as 1954, is *Agra Bazaar*, written and directed by Habib Tanvir, by common consent one of the most consistently talented of India's theatre practitioners.

He based the play on the work of the 18th century poet Nazir Akbarabadi, which is unique in its use of the sophisticated Urdu language to portray the lot of the common man.

The work of Thiyam and Patel exemplifies another of the current preoccupations of the Indian stage: the development of a professional theatre from a tradition that is predominantly amateur. Patel, a leading paediatrician, formed his company from the middle classes of Pune; his excellent leading actor is a psychiatrist, and his work embodies the whole-hearted exuberance of amateur tradition.

But Indian theatre also has its celebrities – as evidenced by the near riot prompted by the appearance of television heart-throb Naseeruddin Shah in the Mahabharata-derived *Andher Yug*. The health and wealth of Indian film and television are in a league of their own, siphoning off many of the best directors and actors, yet the National School of Drama, in Delhi, is the country's own official training ground, and its status and direction is a subject of heated debate.

Most of the directors represented in the festival had taken their turn at running it. Thiyam, one of the younger ones, retreated to Manipur when the politics of the place got too much for him taking refuge in a local tradition of highly skilled dance-drama.

Habib Tanvir and others of the festival's most distinguished directors, M.V. Karanth, have devoted themselves to developing their own ensembles and repertoires, but the fragmentation of these initiatives and their dependence on the dynamism of a single guru, make them only partial answers. In a country as huge and sectarian as India it is hard to envisage anything more complete.



P. Gopal and Unnikrishnan at The Place

Brahms by the LSO

ON THURSDAY the London Symphony began an enterprising mini-series of symphonic music by Brahms. With notable modesty, their conductor Michael Tilson Thomas has programmed no conductor's showpiece – which is to say, none of the four symphonies – nor even the *Alte Rhapsody*; we get instead all the concert except the Second for piano, and both the pair of serenades and overtures, and (on October 1) two fine, neglected choral pieces. I'd have liked to have the cantata *Rinaldo* too, but one shouldn't be greedy.

This first concert, which included the "Academic and the Servile" Overture and the Serenade no. 2 in A, showed everybody in a stylish fettle. In particular I admired the cheerful *al fresco* sound of the winds in the Serenade, where there are no violins to compete with, and Tilson Thomas's discreet marking of every modulation that matters. All that was lacking was the unabashed rack-

tune as if it were dignified like Rakhmaninov, but Russians generally do that. In the Adagio he and T.T. rose to eloquent heights, giving full value to the contrasts in the movement rather than reducing it all to a reverent lullaby.

Their performance was crowned by the final Rondo, which most often sounds athletic but effortfully studied. Swift and steady, Feltzman insisted – without macho histrionics – upon the truculent thrust of the main time, and yet contrived a magical lighting in its later major-key promotion without any sentimental gearing-down. Throughout, the contrapuntal passages crackled with energy. For once, this Rondo carried Brahms's argument forward to a fresh conclusion, instead of seeming a mere rumbustious epilogue to what precedes. Feltzman looks like setting a high standard for his new Western competitors.

David Murray

AMONG the great pleasures of Indian dance is the contribution of the musicians and their presence on stage. The performance is a collaboration of equal partners. As with flamenco, if there isn't live music, the dancing isn't authentic.

Some of what occurred during the Indian Summer season at The Place this month was all too authentic – more like open rehearsal than performance. Indian dance is often concerned with particularly complex rhythmic patterns. Dancers and musicians collude on cycles of seven counts, or nine, or 16, or 20s. Anjana-Batra (September 9), an attractive dancer, attempted during her solo recital two virtuous items involving such counts. But she and her musicians had to stop so often to fix their timing that these essays sel-

Bells and bare midriffs

dom took off to any heights. Well, this was certainly instructive, for it took us deep into the dance's musical intricacy. Too many sticky gear-changes, however, for us to enjoy the ride.

In the other four items of her programme, Batra proved an appealing, serious performer, somewhat nervous but dignified. Dancing in full trousered and skirted attire, with bells on ankles and midrif bare, she always showed the point of every dance passage. I recall in particular the grace and variety of her opening invocation to Shiva, its rippling arms and poses of prayer. The shift between movement and pose is always a vivid factor in Indian dance rhythm, and it was fascinating to see Batra pursuing

this to allegro extremes in her pure-dance items – showing at the finish of each gesture, punctuating series of rapid turns with sudden stamping stops.

She is a much more objective

but less assured performer than the well-known Pushkala Gopal and Unnikrishnan (September 21-22). The programme given by these two began with four items of classical Hindu dance, delivered with a large helping of charm and address. But I find them an odd couple.

Gopal is short and compact. Unnikrishnan tall and slender. Her best dancing occurs above the collar-bone – the eyes, brows and neck are especially mobile in her Bharata Natyam solo about the goddess Shakti or Parvati and he is at his

best, each of them executes a vivid array of gestures in sequences that have their own inner rhythm, so that storytelling becomes dancing. In *Beauty and the Beast* rhythm seldom builds. The direction is too determined that we must get the point and be charmed that Indian dancers are telling this tale at all.

Amid the rest of the season, I heard golden tidings of, but was obliged to miss, the performances of Nahid Siddiqui and Durga Lal. I saw no better effort to employ some Western devices in Hindu dance than with Mallika Sarabhai, on whom I reported a fortnight back. There are many beauties in Indian dance, but the season made me aware of the peril of trying to advance the art in Western direction and of the peril of trying to maintain pure Indian classicism in the Western world. Frying-pan or fire?

tongue very fast, and he has to explore other areas of the arts.

With an Irish musician, Seamus (Stephen Rea), his wife, Gila (Zoe Wanamaker) and his daughter, Wilhelmina (Susie Brann), he essays pop songs, chairs a group of amateur writers, visits Graubart's mistress, tries children's stories, invents a do-it-yourself Proust kit – enough ideas to fill six Radio 3 half-hours but they all flop.

They flop because they aren't good enough; but too often, I thought, they were not bad enough to be funny enough, and sometimes too bad to be credible. The biography is torpedoed when someone produces a rival work, Seamus is forgiven for his affair with Gila. Woodhouse's agent says he will look out for something. "We haven't failed yet" is Woodhouse's motto, "even if we haven't succeeded." I feel the same about Ronald Hayman.

At the other end of Radio 3's intellectual chart comes Michael Charlton's *Sailing without an Anchor*, an examination of America's National Security Council. The point this week was the way in which the President could become distanced from the State Department and deal with affairs through committees in the White House. Mr Charlton can always find the right people to talk to – Henry Kissinger, William Rogers, Dean Rusk – and asks them the right questions.

B.A. Young

LAST WEEK we left Radio 4's *Body and Soul* with its problem unresolved. Christopher, a popular vicar, has had a sex-change during a year's seminar and is now Christine. She wants to continue in the benefice. The Church (C of E) is willing to accept her as a Deaconess, but won't let her give Eucharist or absolution. On the other hand, the state maintains that she is still a man.

There is bold argument between Christine (Elizabeth Bell) and her excitable Bishop (Michael Williams), very free with his damns and even bloodbys, the Bishop's wife

Trouble at the vicarage

Penelope Wilton) and the Rural Dean (John Burges) on the touchline. The case is heard at Lambeth by the Archbishop. The problem is not in fact solved, for the Bishop unconventionally lets Christine on, even holds a service of blessing. The Rural Dean joins the Church of Rome. Theology odd, argument interesting and drama fine.

This was originally directed for the World Service by Gordon House.

stone (Michael Graham Cox) has died in a railway accident, intestate on account of a previous marriage. John Moffatt as the lawyer Pendril explains it all clearly.) Mrs Vanstone and her infant child die too, so the fortune (£20,000, no less) that should have gone to the two daughters Magdalene and Norah will go to Vanstone's disowned elder brother, known as Captain Wrang. As Magdalene relies on it for her dowry when she marries nice but useless Frank, this is a disaster.

Janet Whitaker's direction allows speech in an 1846 mode. If you have heard, say, the *Chess* No. 7 e7 (if 2 exf7+ Kxf7 3 Qe8+ KB8 Ndf7+ Rxd7 Qe1+ 3 Kh2 Ng4+!) and White resigned since 4 hxg4 Qh4+ and Rdf1+, forces mate.

THE MAN, THE MUSIC...THE LEGEND
Buddy
The BUDDY HOLLY Story
MONDAY THURSDAY 9pm, FRIDAY AND SATURDAY 9pm & 10pm
FRI OFFICE 01 824 1317
CO-PRODUCED BY UTV 4444 242 2207/241 5999 GROUPS 01 824 5123
RECORDED AND EDITED BY UTV STUDIO 01 824 5123

OPEN 12 OCT

RUSSIAN ART
Major Works on Paper
ROY MILES
GALLERY
29 Bruton Street, W1
Telephone 01-495 1747

Pick of the week

CHRISTIE'S

SIR JOHN MEDINA'S Group Portrait is one of a

fine and extensive collection of paintings to be sold in a country house sale at Frankham. Born into a Spanish family, Sir John Medina moved to Edinburgh in 1693 and was immensely successful painting the portraits of most of the nobility of Scotland. Christie's will also be auctioning furniture, objects of art, garden statuary, silver and porcelain at this sale. All of the items are the property of Michael Wells Esq., a keen collector of art since his early 20's and also a poet and a playwright, who has lived at Frankham since 1966. The sale will take place on the premises at Frankham, Mark Cross, Crowborough, East Sussex on Monday, 25 September at 11.00 a.m. and 2.00 p.m.

For further information on this and any other sales in the next week, please telephone (01) 581 7611.

Sir John Medina 1659-1701.

A Group Portrait of three girls in blue, brown and red dresses.

by a cabinet and an orange tree.

